

Mr. STAFFORD. I may say it is entirely agreeable to me to have a meeting either Thursday or Friday night of next week.

Mr. BLANTON. Let us wait until next week to decide about that.

LEAVE OF ABSENCE

Mr. MOUSER. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Ohio [Mr. SEIBERLING] be given a leave of absence of 10 days beginning yesterday on account of injuries suffered in an automobile accident.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

ADJOURNMENT

Mr. RAINEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 25 minutes p. m.) the House adjourned until Monday, May 23, 1932, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

586. Under clause 2 of Rule XXIV, a letter from the Secretary of War, transmitting a report dated May 20, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of Indian Harbor and Canal, Ind., was taken from the Speaker's table and referred to the Committee on Rivers and Harbors.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SMITH of Idaho: Committee on the Public Lands. H. R. 6484. A bill to grant lands in Alaska to the Yakutat & Southern Railway, a Washington corporation authorized to carry on its business in the Territory of Alaska; with amendment (Rept. No. 1399). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JONES: A bill (H. R. 12227) to remove certain burdens on interstate commerce in agricultural commodities by providing means of limiting the amount of short future trading which may be done in such commodities, and for other purposes; to the Committee on Agriculture.

By Mr. JOHNSON of Texas: A bill (H. R. 12228) granting relief to American civilian employees of the Navy stationed in the Philippine Islands; to the Committee on Naval Affairs.

By Mr. STEWART (by request): A bill (H. R. 12229) to regulate the transportation of persons and property in interstate and foreign commerce by motor carriers operating on the public highways, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ERK: Concurrent resolution (H. Con. Res. 30) to create a joint committee on industrial and business restoration; to the Committee on Rules.

By Mr. LAMBETH: Concurrent resolution (H. Con. Res. 31) to print and bind the proceedings in Congress and in Statuary Hall upon the occasion of the unveiling of the statue of Charles Brantley Aycock, presented by the State of North Carolina; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRAND of Ohio: A bill (H. R. 12230) granting an increase of pension to Mary J. Pyers; to the Committee on Invalid Pensions.

By Mr. WILLIAM E. HULL: A bill (H. R. 12231) granting an increase of pension to Harriet Stillwell; to the Committee on Invalid Pensions.

By Mr. LOVETTE: A bill (H. R. 12232) granting a pension to Robert H. Shuffield; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 12233) granting an increase of pension to Minnie Pierce; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12234) granting a pension to Garfield Hampton; to the Committee on Pensions.

Also, a bill (H. R. 12235) granting a pension to William R. Hunley; to the Committee on Pensions.

Also, a bill (H. R. 12236) granting a pension to Lena M. Burnett; to the Committee on Pensions.

Also, a bill (H. R. 12237) granting a pension to Frank Lawson; to the Committee on Pensions.

Also, a bill (H. R. 12238) for the relief of Wallace Hensley Welch; to the Committee on Naval Affairs.

Also, a bill (H. R. 12239) granting a pension to Jacob L. Walker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12240) granting a pension to Bruce Arthur Waddell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12241) granting a pension to Charlie Campbell; to the Committee on Pensions.

Also, a bill (H. R. 12242) granting a pension to Spurgeon C. Portwood; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7868. By Mr. CULLEN: Petition of the Uniformed Firemen's Association of Greater New York, memorializing the Congress of the United States to take action by voting a Federal bond issue of at least \$5,000,000,000 to finance construction of public works and other undertakings which will provide employment for many idle men and point toward the Nation's economic recovery; to the Committee on Ways and Means.

7869. By Mr. KVALE: Petition of 59 citizens of Felton, Minn., urging all possible economies in Government expenditures; to the Committee on Economy.

7870. Also, petition of Bricklayers, Masons, and M. M. Benevolent Union, No. 1, St. Paul, Minn., protesting against Senate bill 3487; to the Committee on Labor.

7871. Also, petition of American Legion Auxiliary Post, No. 177, protesting against any change in World War veterans' act; to the Committee on World War Veterans' Legislation.

7872. Also, petition of Bricklayers and Masons Union of Minneapolis, opposing enactment of Senate bill 3847; to the Committee on Labor.

7873. By Mr. PARKER of Georgia: Petition of Carl M. Rushing and 74 other citizens of Claxton, Evans County, Ga., urging the repeal of the eighteenth amendment to the Constitution of the United States; to the Committee on the Judiciary.

7874. By Mr. RUDD: Petition of Railway Electric Supply Manufacturers Association of Chicago, Ill., opposing the soldiers' bonus; to the Committee on Ways and Means.

7875. Also, petition of Uniformed Firemen's Association of Greater New York, favoring a \$5,000,000 bond issue to finance construction of public works to provide employment; to the Committee on Ways and Means.

7876. By Mr. WATSON: Resolution passed by the City Council of Philadelphia, relative to the creation of a Delaware River joint commission; to the Committee on Interstate and Foreign Commerce.

SENATE

MONDAY, MAY 23, 1932

(Legislative day of Monday, May 9, 1932)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

THE LINDBERGH TRAGEDY—SERMON BY DOCTOR M'CARNEY

Mr. MOSES. Mr. President, I ask permission to have printed in the Record a sermon delivered in the Covenant-First Presbyterian Church, of Washington, D. C., by Rev. Albert Joseph McCartney, based on the Lindbergh tragedy.

The VICE PRESIDENT. Without objection, it is so ordered.

The sermon is as follows:

"A LITTLE CHILD SHALL LEAD THEM"

(Scriptural Lesson—Judges xx, 1-18)

(Text—Judges xix, 30—"And it was so, that all that saw it said, there was no such deed done nor seen from the day that the children of Israel came up out of the land of Egypt unto this day; consider of it, take advice, and speak your minds.")

Judges xx, 3—"Tell us, how was this wickedness?"

Isaiah xl, 6—"A little child shall lead them."

The disclosures of Thursday night swept aside our chosen theme, for right of way should be given in every pulpit in the land to the one subject that is absorbing the mind and heart of the world. On a February afternoon in 1909 I chanced to be in Newcastle, Pa., where I snatched an extra from a newsboy announcing the kidnapping of one of my Sunday school boys, Billy Whitla, the 8-year-old son of a prominent family in Sharon, near by. The search led to all quarters of the country. I witnessed in a most intimate way the anguish of that father and mother with whom I spent that first night. No tongue can tell, no pen can possibly describe the emotions of such a household. Six days later in my church study we wrapped up the ransom money, carrying out in every detail the instructions of the kidnapers, and Mr. Whitla boarded the train for Cleveland where his boy was returned that night.

A wave of joy swept the whole country which next morning came to a focus in Sharon as the lad was returned amid tumultuous rejoicing of thousands that thronged the main street of that city and surged up and around the residence of the father. There standing on the porch, the united family was greeted with great acclaim as that vast multitude broke into the familiar music of the Doxology.

We had hoped that some such scene would sooner or later stage the denouncement of this recent crime, but instead the whole Nation is broken in grief and shame and in place of the Doxology we must join in the dirge of David, when after the battle in the woods, he received the intelligence of his son's death, and climbed the stairs to his chamber over the wall, sobbing at every step: "O Absalom, my son, my son. Would God I had died for thee. O Absalom, my son! My son."

If this crime can not kindle such a flame of righteous indignation that shall help to purge this Nation of its lawlessness, then God pity America, for she is lost, utterly lost, and it is but a question of time till our boasted land of freedom shall find her common destiny and be one with Nineveh and Tyre.

In the closing chapter of the Book of Judges there is a revolting tale of a horrible crime committed against the virtue of a young Jewish girl by the criminal element in the city of Gibeah, belonging to the tribe of Benjamin, a somewhat indelicate tale which may be delicately told to our profit, against the background of what has happened at Hopewell. She and her betrothed husband had stopped for the night in this town where they were strangers and were preparing to camp out in the street when an old man had compassion upon them and extended them hospitality for the night. There an attack was made by a lawless element in the town, and after a night of bestiality, the poor creature was discarded on the doorstep of the old man's house where her lord found her dead "at the door of the house with her hand upon the threshold." He placed the corpse upon an ass and wended his way homeward across the mountains of Ephraim. Upon arrival there he did a dramatic thing. He severed the body into 12 pieces and sent a section thereof to the chiefs of the 12 tribes of Israel, with a detailed account of the crime that had been committed.

The moral reaction upon Israel was instantaneous. Men came from all over Palestine to the capital of the tribes at Mizpah, in religious frenzy to voice their indignation—400,000 of them armed to the teeth. Then they put this Levite upon the witness stand and he rehearsed in their hearing the horrible details and finished up with an appeal for justice to the government of the tribes. Then the people rose as one man, saying: "We will not any of us go to his tent, neither will any of us return to his house," and on the wave of a great indignation they hurled themselves repeatedly against the embattled Benjaminites who had refused to deliver up the criminals, till at the price of nearly 100,000 lives they practically wiped out the tribe of Benjamin.

The parallel that is moving in all our minds as I rehearse this tale of antiquity is obvious and has something to say to us here in America across all these centuries. It took a fearful and horrible crime against an innocent girl to arouse the people of Israel to the moral conditions in the tribe of Benjamin and to awaken them to such a sense of righteous indignation as to purge the land of that iniquity. "God moves in a mysterious way His wonders to perform." This crime that has so shocked the heart of the world is in no way a part of God's purposes, but God is capable of making even the wrath of men to praise Him, and I do believe that in the inscrutable providence of Almighty God this dastardly deed may serve to bring America to her senses and arouse the people of the land as one man in a determination to clean the Stygian stalls of our great cities and sever the alliance between the underworld and crooked politics, whose representatives are thugs and murderers, child stealers and extortionists, and root out the poison nests of crime that infest this land.

It takes some such tragedy to shock the world into its senses. It took the sacrifice of a young girl in that unspeakable crime yonder in the hills of Ephraim to galvanize the sluggish heart

of Israel into moral action. It took the death of Edith Cavell to unite the Allies of the world in a deathless purpose. It took the death of the Son of God in the tragedy of the crucifixion to turn the moral tide for righteousness in the ancient world, and if the heart of this country, standing by the pitiful remains of yonder little child in Hopewell, can only be galvanized into a vast determination to change the whole face of human society, to have millions make a vow to God as one man to come away from our worship of false gods and our alliance with lust and adultery and greed and our casual attitude toward lawlessness, then some blessing may be distilled from this cup of woe. Unless we react to this crime after some such manner, then woe to our country, for there is nothing left but surrender to crime and lust and intemperance and anarchism, and the proud name of Columbia shall be brought low in the dust, and it will only be a question of time her destiny, I say, shall be one with Nineveh and Tyre. But, oh, that this foul and unspeakable murder might arouse anew the spirit of the real America, the spirit that made America, the spirit that was America!

Our first and natural reaction to these horrible disclosures is to unleash the bloodhounds of the law in every land and let the whole world be turned into a vast detective bureau and take the perpetrators of this crime and hang them high as Haman. If they may soon be overtaken by the law and such punishment meted out, then fortunate will they be, for to carry the burning burden of this crime a secret to the end of their days would seem to be a punishment which the human heart would be incapable of enduring.

But, my friends, what concerns us is not so much the manner and the meed of the punishment of this crime, but the future prevention of such crimes, and to do this we shall have to work toward the eradication of the motive. No degree of punishment, however severe, will suffice to turn the purposes of such criminals. We must change the whole atmosphere in regard to these things. We must do something more to organize society on a basis and inspire it with a soul where these things can not flourish.

1. Let us begin with the children. The trouble with us is that we have reared up a generation of young men and young women who have no real sense of God and, therefore, no sense of responsibility to society. The training of children in the ethics of life and religion has either been wholly neglected in the home or they have been turned over to the innocuous training of our third-rate Sunday schools by parents who are bankrupt of their own faith and long since have shifted all responsibility for the well-being of their children whom they have brought into the world. We scoff at Russia and her hordes of wandering children who have to forage like wild beasts for themselves, but that is not a bit worse than the lamentable conditions in large sections of respectable America where the children are left to shift for themselves so far as moral and spiritual feeding is concerned. Too many of our so-called first citizens have been sacrificing at the altar of Sunday morning recreation, which leaves no place for the encouragement of our children by an example in the matter of religious training, at the only time in the calendar in the whole week when such a thing can be made possible. Don't try to tell me that your children are just as fine and responsible to society as those brought up with religious care. The amazing thing is that so many of them are, but, my friends, they are living on the accumulated capital of their godly grandparents and great grandparents. But the blood is running thin, and that patrimony will not last forever, and you can't keep the social order on a high and sensible tone without God. Sooner or later it is bound to break down.

Let our answer, therefore, to this crime against childhood be, then, a rededication of American parenthood to the biggest business of all, the Christian training of our children. Shall we continue to bring them up with a casual attitude to adultery in the home and disregard for law through our own example and the worship of money as king in the household and the way of pleasure as the one to be constantly chosen? Let us rather build up in the minds of our children a sense of their responsibilities to society through a knowledge of their accountability to Almighty God. Therefore, I lift up my voice as with a trumpet and call to you parents, come back from the godless lives, come back from your careless conduct in the presence of your children, come back from your divorce courts and your creed of pleasure as the chief end of man and give some attention to the religious welfare of your households. On the battlefield of Gettysburg there is a stone whereon is chiseled this inscription: "The high watermark of the Rebellion." From that bloody angle the tide turned toward ultimate victory for the North. Let us make that little grave in Hopewell a national shrine that marks the high watermark of moral and spiritual rebellion in our Christian homes and turn our faces as one man to new resolve: "And a little child shall lead them."

2. Another answer to this crime can be a regard for the majesty of the law, so far as we ourselves are concerned. It is our lawlessness that creates the moral atmosphere in which these crimes that so outrage society to-day thrive and prosper. Lawlessness has reached the proportions of a national calamity. Statisticians have estimated our annual loss through crime and racketeering in billions of dollars. Perhaps our Nation can stand the loss of these vast amounts from the channels of legitimate industry, but we can not survive the loss of human character that is inferred. Every now and then we are furnished with revolting crimes which shock us into fresh consciousness of the moral pitfalls that are

around about our very homes, and we hold up our hands and wring them in holy horror at the revelations. Yet every time you get your boy out of trouble for speeding on the public highway, every time you bribe an officer of the law for your personal convenience, you make it easier for some one else to buy off the law and harder for the officer to do his duty. If you break the law with impunity, then your boy can break the law; and if your boy can break the law, then any other boy can break the law with impunity. I know it is the most popular pastime amongst us to dump all this lawlessness on the doorsill of prohibition, but I tell you where the trouble lies—in the homes of you, fathers and mothers, who haven't the moral backbone nor the patriotic ardor nor the Christian conscience to set your growing boys and girls a decent example.

Every time you patronize a bootlegger you contribute to the moral atmosphere that makes these fearful crimes possible and you are participating hand in glove with Al Capone and all his lecherous crew. You become a stockholder in the amalgamated crime of America. In his inaugural address three years ago President Hoover said: "It is as much the duty of the citizen to obey the law as it is the duty of the officer to enforce it." When liberty reaches such a pitch as to permit a crime of violence to wound the holiest and most venerable rights of life, it changes its name and becomes barbarism. O, my countrymen, let this crime kindle such a flame of indignation in all our hearts that under its illumination we may see clearly what a part we each have to share in this whole spirit of lawlessness that is blighting this land. In the name of patriotism, in the name of Christ, let us rise up like men and women and face the claims of law obedience ourselves and reassert our faith in the majesty of the law as the pillar and the crown of our Republic.

Another reaction to this crime is the utter futility of legislation, education, or police discipline to accomplish the ends desired in and of themselves. Only a change of heart in our country can bring this to pass.

What this country needs is a great revival of genuine religion. God seems to be shaking mightily the earth, reminding us in every way that a man's life consisteth not in the abundance of the things which he possesseth. He is saying to America in unmistakable language: "Let not the rich man glory in his riches, neither let not the wise man glory in his wisdom, let not the mighty man glory in his might, but let him that gloryeth glory in this, that he understandeth and knoweth Me." A personal experience of God is the only cure.

The country is being surfeited with analysts and counselors for our national well-being. We listen to our fifth-rate radio economists and political fence menders, and the name of their panaceas is legion. Down underneath it all the explanation is plain—we have reared a generation that has lost its faith in God. A third of the people in America have frankly no religion at all for the census taker to record. Synagogues have been converted into social clubs and the Catholic and Protestant churches have suffered sufficient losses in the last 15 years to turn the scale in America from morality to immorality, from the time-honored respectabilities of our fathers to pleasure, booze, and divorce. What America needs is a mighty revival of religion. The heart cry of humanity is for God. In view of all this never did the church of Jesus Christ have such an open door of opportunity.

Where shall this revival begin? Where else than in your life and in mine? "It's not my brother, it's not my mother, it's not my sister, it's not my father—it's me, O Lord, standin' in the need of prayer." If your heart is hot with indignation over this tragedy in Hopewell, and if your hands reach out to take hold upon something that you can do to change things, there is one practical thing you can do; you can change your attitude to God. You can find out what are the barriers that seem to shut God out of your life, and if each one of us here should succeed under this vow to take those barriers down in his own life, what an eloquent answer that would be, how it might turn the whole tide for righteousness throughout the land. "It's not my brother, it's not my mother, it's not my sister, it's not my father—it's me, O Lord! standin' in the need of prayer." "And a little child shall lead them."

WAR POLICIES COMMISSION

Mr. VANDENBERG. Mr. President, on May 6 the national executive committee of the American Legion met in Indianapolis, Ind., and unanimously adopted a resolution relating to the War Policies Commission, which I ask may be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The resolution is as follows:

Whereas the American Legion has, since its convention in 1922, advocated legislation to give the President power, in case of any emergency declared by Congress, to mobilize all the material resources, industrial organizations, and services, for the purpose of carrying on war, including power to stabilize prices, not only for those commodities required by the Government but for the whole civilian population; and

Whereas it is our opinion that if all necessary stabilizing machinery can be made operative immediately upon the imminence of any emergency a long and important step forward will have been made in organizing the national defense in an orderly, equitable, and economical manner, and will, if properly adminis-

tered, take the profit out of war and preclude in any future crisis many, if not all, of the economic ills, dissatisfaction, and unrest that have been the aftermath of the World War; and

Whereas on June 27, 1930, Congress enacted Public Resolution No. 98, creating the War Policies Commission, charged with the responsibility of studying this entire matter for the purpose of submitting a report to the President, who, in turn, was to submit it to the Congress; and

Whereas this commission, after extensive hearings, has made such a report, which report, findings, and recommendations are now before the United States Senate: Now, therefore, be it

Resolved, That the national executive committee of the American Legion hereby extends to the War Policies Commission its sincere congratulations for the thorough and exhaustive manner in which they went into this entire matter and for the splendid work they have done, and calls upon the Senate of the United States to speedily enact into law the legislative recommendations of the commission and thereby put into effect the program constantly advocated by the American Legion during the past 10 years, not only as a peace measure but as a sound national-defense policy.

THE JOURNAL

Mr. FESS. Mr. President, I ask unanimous consent for the approval of the Journal of May 19, 20, and 21 last.

The VICE PRESIDENT. Without objection it is so ordered.

CANADIAN OPINION ON UNITED STATES PROBLEMS

Mr. GEORGE. Mr. President, I ask unanimous consent to have printed in the RECORD a portion of the editorial from the Vancouver Sun of May 9, reproduced in the Atlanta Georgian of May 20, 1932, dealing with the problems of the United States and expressing a Canadian viewpoint.

The VICE PRESIDENT. Without objection, it is so ordered.

The editorial is as follows:

What is the objective economy of the United States? The accumulation of gold and the piling up of more and higher interest-bearing securities? Or an economy that will distribute goods, increase work and wages and buying power throughout the continent?

The President denies the use of the national prerogative to create business, by bonuses to soldiers, by the prosecution of public works, and by cooperative group planning for farmers, through the issuing of national currency for which the country has ample wealth. His cry of balancing budgets by reduced expenditures and increased taxation can result only in destruction of industry and the confiscation of the taxpayer's wealth.

Has it never dawned on the American President that after reasonable economies are effected the only way a budget can be balanced is by bringing the purchasing volume up to a nation's power to create, to produce, and to consume?

Has this been done?

Rather than even attempt such a thing, the President of this great neighbor Republic seems determined to let depression do its worst and to let his people go jobless and hungry.

Every day the value of what Americans do and what Americans own is falling. Canadians, although sympathetically affected by actions of Washington, are just as helpless to suggest or interfere in the economy of the United States as they are to interfere with the religious but devastating economy of India.

The notion so often advanced that North America is simply passing through one more natural period of depression and panic, from which we shall recover, is wholly wrong.

The basic causes of this depression have world-wide roots which are exaggerated in industrialized North America. That cause is the multiplication of the power of people to produce without accompanying increases in their capacity to consume.

The defective, outlived attitude toward gold and money and the handling of credit has made it impossible for man to buy the goods he can now produce. And, confronted with a situation like this, the Hoover mind seems inert and helpless.

One hundred and twenty million Americans stand before a flood of food and machinery and science without a monetary medium to acquire for themselves and their families that portion that will give them food and work and hope.

Eight millions of those Americans are out of jobs and are, therefore, economically outlawed, with no hope of relief.

Yet, in the face of this appalling picture, the Hoover message to his Congress calls for nothing but further reductions in wages and consumption and an increase in sacrifice.

Under the deadening weight of the Hoover inaction America's masses seem slowly but surely heading to the condition of China and India.

From the Canadian side of North America the President's message sounds like the doom of a great nation or the doom of a great political party.

ADDRESS BY FRANKLIN D. ROOSEVELT

Mr. LONG. Mr. President, I ask unanimous consent to insert in the RECORD an address by Gov. Franklin D. Roose-

velt, delivered in Atlanta, Ga., on May 22, from which I want to read one paragraph:

We may build more factories, but the fact remains that we have enough now to supply all our domestic needs and more, if they are used. No; our basic trouble was an insufficiency of capital, it was an insufficient distribution of buying power coupled with an oversufficient speculation in production.

The VICE PRESIDENT. Without objection, it is so ordered.

The address is as follows:

[From the New York Herald Tribune, May 23, 1932]

RISE IN SCALE OF PAY ASKED BY ROOSEVELT—"FORGOTTEN MAN" WILL REVOLT UNLESS ASSURED A LIVELIHOOD AT CAPITAL'S EXPENSE, UNITED STATES WARNED—TRIAL AND ERROR METHOD ADVOCATED—EXPERIMENTS HELD VITAL; SPEECH IS KEYNOTE OF PRESIDENTIAL CAMPAIGN

By Ernest K. Lindley

ATLANTA, Ga., May 22.—Speaking to-night at the commencement exercises of Oglethorpe University, Gov. Franklin D. Roosevelt advocated social planning to achieve a "more equitable distribution of the national income" and asserted that the country needs and demands "bold, persistent experimentation."

The country, Mr. Roosevelt said, can not afford to have its economic life controlled by "that small group of men whose chief outlook upon the social welfare is tintured by the fact that they can make huge profits from the lending of money and the borrowing of securities."

WARNS OF REVOLUTION PERIL

The governor issued what was construed as a direct warning to conservatives, and to certain Wall Street interests in particular, that only by drastic correction in the faults of the American economic system can open revolt be averted.

"The country needs, and unless I mistake its temper, the country demands, bold, persistent experimentation," he said. "It is common sense to take a method and try it; if it fails, admit it frankly and try another. But above all, try something. The millions who are in want will not stand by silently forever while the things to satisfy their needs are within easy reach."

Governor Roosevelt's address was regarded by those who follow his campaign for the presidential nomination as the fullest and most straightforward expression of his credo of political and economic liberalism that he has yet made. By them it is viewed as a marking out of the ground on which he will make his fight for the nomination in Chicago, if a fight is necessary, and upon which, if he is nominated, he will make his campaign against President Hoover.

It is understood to be the first of two speeches which the governor had prepared for use before the Chicago convention to cement his following and insure the incorporation of his views in the Democratic platform. The second speech is expected to deal more concretely with certain specific methods.

BLAMES DEPRESSION ON WASHINGTON

Although Mr. Roosevelt mentioned no names, his address was replete with criticisms of the Coolidge and Hoover administrations, as well as of the Wall Street banking group, which is classed as hostile to his nomination. Alluding to the speculative mania of 1928, he said that "to the stimulation of belief in this dazzling chimera was lent not only the voices of our men in high office but their influence and the material aid of the very instruments of government which they controlled."

The governor asserted that "we are all suffering to-day from the comfortable theory" that the economic depression will come to an end through the natural operation of economic law.

Persons familiar with the recent speeches of Alfred E. Smith saw in one passage of Mr. Roosevelt's address a direct answer to the point of view advanced by Mr. Smith in indorsing the sales tax. The governor said that if one injures capital one strikes at the workingman.

Mr. Roosevelt said that "many of those whose primary solicitude is confined to the welfare of what they call capital have failed to read the lessons of the last few years and have been moved less by calm analysis of the needs of the Nation as a whole than by a blind determination to preserve their own special stakes in the economic order."

While capital will continue to be needed, said the governor, it is probable "that our physical plant will not expand in the future at the same rate at which it has expanded in the past."

"We may build more factories," he said, "but the fact remains that we have enough now to supply all our domestic needs and more, if they are used. No; our basic trouble was not an insufficiency of capital; it was an insufficient distribution of buying power coupled with an oversufficient speculation in production."

"Do what we may have to do to inject life into our ailing economic order, we can not make it endure for long unless we can bring about a wiser, more equitable distribution of the national income. It is well within the inventive capacity of man, who has built up this great social and economic machine, capable of satisfying the wants of all, to insure that all who are willing and able to work receive from it at least the necessities of life. In such a system, the reward for a day's work will have to be greater, on the average, than it has been, and the reward to capital, especially capital which is speculative, will have to be less."

Assailing what he termed "the Wall Street group," Mr. Roosevelt said: "We can not allow our economic life to be controlled by that small group of men whose chief outlook upon the social welfare is tintured by the fact they can make huge profits from the lending of money and the marketing of securities—an outlook which deserves the adjectives 'selfish' and 'opportunist.'"

The governor said that after "the experience of the last three years" the average person would rather receive "a smaller return upon his savings in return for greater security for the principal than experience for a moment the thrill of the prospect of being a millionaire, only to find the next moment that his fortune, actual or expected, has withered in his hand because the economic machine has again broken down."

Mr. Roosevelt told his audience that for the attainment of the objective which he defined there would be needed "the courage of the young" and "enthusiasm, imagination, and the ability to face facts, even unpleasant ones, bravely." His parting injunction to the members of the graduating class was: "Yours is not the task of making your way in the world, but the task of remaking the world which you will find before you."

RECALLS DELUSIONS OF GOLDEN ERA

In leading up to his main argument, Mr. Roosevelt said:

"The year 1928 does not seem far in the past; but since that time, as all of us are aware, the world about us has experienced significant changes. Four years ago, if you heard and believed the tidings of the time, you could expect to take your place in a society well supplied with material things and could look forward to the not too distant time when you would be living in your homes, each (if you believed the politicians) with a 2-car garage, and, without great effort, would be providing yourselves and your families with all the necessities and amenities of life and, perhaps in addition, assure by your savings their security and your own in the future."

"Indeed, if you were observant, you would have seen that many of your elders had discovered a still easier road to material success—had found that once they had accumulated a few dollars they needed only to put them in the proper place and then sit back and read in comfort the hieroglyphics called stock-market quotations which proclaimed that their wealth was mounting miraculously without any work or effort on their part."

TO-DAY'S FLIGHT CONTRASTED

"How sadly different is the picture which we see around us to-day. If only the mirage had vanished, we should not complain, for we should all be better off. But with it has vanished, not only the easy gains of speculation but much of the savings of thrifty and prudent men and women, put by for their old age and for the education of their children. With these savings has gone among millions of our fellow citizens, that sense of security to which they have rightly felt they are entitled in a land abundantly endowed with natural resources and with the productive facilities to convert them into the necessities of life for all our population. More calamitous still, there has vanished with the expectation of future security the certainty of to-day's bread and clothing and shelter."

After discussing briefly a lack of plan in our society which he said led us to educate, for example, more teachers than we could find positions for, he plunged into the economic field.

"In the same way we can not review carefully the history of our industrial advance without being struck with its haphazardness," he said, "with the gigantic waste with which it has been accomplished—with the superfluous duplication of productive facilities, the continual scrapping of still useful equipment, the tremendous mortality in industrial and commercial undertakings, the thousands of dead-end trails into which enterprise has been lured, the profligate waste of natural resources."

"Much of this waste is the inevitable by-product of progress in a society which values individual endeavor and which is susceptible to the changing tastes and customs of the people of which it is composed. But much of it, I believe, would have been prevented by greater foresight and by a larger measure of social planning. Such controlling and directive forces as have been developed in recent years reside to a dangerous degree in groups having special interests in our economic order, interests which do not coincide with the interests of the Nation as a whole."

"I believe that the recent course of our history has demonstrated that while we may utilize their expert knowledge of certain problems and the special facilities with which they are familiar, we can not allow our economic life to be controlled by that group of men whose chief outlook upon the social welfare is tintured by the fact that they can make huge profits from the lending of money and the marketing of securities—an outlook which deserves the adjectives 'selfish' and 'opportunist.'"

"You have been struck, I know, by the tragic irony of our economic situation to-day. We have not been brought to our present state by any natural calamity—by drought or floods or earthquakes—or by destruction of our productive machine or our man power. Indeed, we have a superabundance of raw materials, a more than ample supply of equipment for manufacturing these materials into the goods which we need, and transportation and commercial facilities for making them available to all who need them."

"But raw materials stand unused, factories stand idle, railroad traffic continues to dwindle, merchants sell less and less, while millions of able-bodied men and women, in dire need, are clamoring for the opportunity to work. This is the awful paradox with which we are confronted, a stinging rebuke that challenges our power to operate the economic machine which we have created."

CALLS FOR COURAGE AND INITIATIVE

Governor Roosevelt summarized briefly some of the "multitude of views" upon how the economic machine could be set up in motion again, and after defining his own conception of the goal which should be borne in mind, he said:

"Probably few will disagree that the goal is desirable. Yet many of faint heart, fearful of change, sitting tightly on the roof tops in the flood, will sternly resist striking out for it lest they fail to attain it. Even among those who are ready to attempt the journey there will be violent differences of opinion as to how it should be made. So complex, so widely distributed over our whole society are the problems which confront us that men and women of common aim do not agree upon the method of attacking them. Such disagreement leads to doing nothing, to drifting. Agreement may come too late.

"Let us not confuse purpose with method. Too many so-called leaders of the Nation fail to see the forest because of the trees. Too many of them fail to recognize the vital necessity of planning for definite objectives. True leadership calls for the setting forth of objectives and the rallying of public opinion in support of these objectives."

It was here that the speaker urged "bold, persistent experimentation."

The honorary degree of doctor of laws was awarded to the governor. The commencement exercises took place in the Fox Theater.

Governor Roosevelt later motored back to Warm Springs. He announced he would leave there on Wednesday morning and arrive in New York the next morning.

PROBLEMS OF THE UNITED STATES

Mr. COPELAND. Mr. President, in this morning's New York Herald Tribune there is a very interesting interview with Judge Morgan J. O'Brien, of New York City. He is in many respects our first citizen. I regard this as a notable expression of opinion of a wise man regarding present-day issues. It is entitled "What's the Matter with the United States?"

Mr. O'Brien emphasizes our greed, our falling off in religion, the spread of sensuality, a loosening of the standards of personal probity, manners and morals, and our failure to dispose of our surplus products and to make reasonable tariffs.

I ask that the interview may be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The interview is as follows:

[From New York Herald Tribune, May 23, 1932]

WHAT'S THE MATTER WITH THE UNITED STATES?—MORGAN J. O'BRIEN HOLDS THE NATION IS ALL RIGHT, BUT THE PEOPLE HAVE MANY GROWING FAULTS

By Edward Angly

In 80 years of living Morgan J. O'Brien has learned not to worry, whatever happens. He isn't worrying to-day. His sun-tanned brow is unwrinkled. With a long span on the New York Supreme Court bench far behind, he is still active as the head of one of the city's largest law offices. He continues to relish golf, a game he pioneered in this country.

When his legs were sturdier and his muscles more supple, Judge O'Brien used to clip off 18 holes with a score somewhere in the eighties. In those days he would get as sore as the devil whenever he flubbed a brassie shot or topped an intended pitch to the pin. Nowadays it is seldom that he breaks a hundred, but even that doesn't worry him. He takes the bad shots with equanimity and puffs out his chest and grins when he gets off a good one.

PLAYERS THEMSELVES TO BLAME

On days when scarcely a shot seems to click sweetly from woods and irons, the judge isn't the sort of fellow to find fault with the course. So to-day, when the great game of life is being shot far below par by tens of millions of duffers, he sees no excuse for howling about the condition that the fairways are in. The players have only themselves to blame.

"No; there is nothing the matter with the United States," the judge remarks. "The trouble is and for some time has been with our people."

The trouble with our people, as observed by the judge's keen gray-blue eyes, is multifarious, and its vitiating varieties are increasing rather than diminishing.

Insatiable greed, a falling off in religion, a spread in sensuality, a loosening of the standards of personal probity, manners and morals, a growing preference for reckless living instead of simple, temperate living, a lack of poise, "a failure to mind whatsoever things are elevated"—these are a few of the flaws Judge O'Brien picks in watching America's millions as they play the game.

Economically, he says, we have failed in the distribution of our surplus products, in the making of tariffs and in our hesitancy to help settle the international problem of reparations and war debts. Politically we have erred in botching the Constitution with amendments which have encouraged majorities to run roughshod over minorities. Ethically, we have slipped away from many a sound old mooring.

SAYS BRIAND HAD RIGHT IDEA

Judge O'Brien is hopeful that the depression will chasten us. The abuses of prosperity, he believes, blunted the consciousness which is the basis of right living. He is optimistic enough to feel that the world is making progress toward some sort of moral unity consonant with the fact that scientific advancements have knit the separated peoples of this earth into a more closely woven fabric than our fathers knew. He thinks Aristide Briand was on the right track with his idea for a loose economic federation that would have left each people with their separate languages, customs, and culture.

Lounging on a fine old brocaded sofa in the drawing-room of his home, Judge O'Brien outlined his case against his countrymen. Like the good lawyer that he is, he cited authorities to hammer in his points. De Tocqueville, Bryce, Emerson, Matthew Arnold, Madison, Jefferson, Gladstone, and Macaulay—all these, and others, he called upon to fortify his arguments.

And Jim Hill, too. Most people may remember James J. Hill only as a great big rail and securities man, an empire builder, as the Victorians called the industrial leaders in America's age of expansion. But Judge O'Brien has other souvenirs. He remembers, for example, that Hill, more than 25 years ago, had this to say of his compatriots:

"We are a profligate nation, spendthrifts not only of our natural resources but of our physical and mental energies as well. We are money-reckless, work-reckless, ambition-reckless, play-reckless, social-reckless, according to our spheres and our callings. Literally, in the heat of the day, we take no thought for the morrow. It is not the sane life any more than it is the simple life."

The core of our present-day troubles, Judge O'Brien seems to feel, is to be found in the disintegration of the simple, natural, disciplined life which had its center in the home. In his boyhood, he recalls, decent people drummed two fundamental ideas into the consciences of their children; they must be honest and they must tell the truth. Few homes were without religious influence.

LAMENTATIONS FOR HONOR AND TRUTH

"In the old days," he says, "business assumed that a young man who had been reared in a respectable home possessed the virtues of honesty and truthfulness. His domestic background was his guaranty when he went out into the workaday world to find a job. But to-day an office will not consider a man unless he brings with him not only a letter of introduction, but four or five recommendations setting forth in black and white that he is of good character."

"One does not have to search for long to find evidence of the fact that dishonesty has become more and more frequent in business relationships. Year by year statements of the surety companies show astounding increases in payments made on personal bonds because of defaults. Insatiable greed has spread far and wide the desire to get hold of another's property, to accumulate wealth by whatever means are the easiest and speediest. That is the code of the hold-up man on the dark street. It is the code of many a business man in his lighted office. Perhaps it is not easy to live rightly, but it is the only way to live if one is to look back happily on the years that have passed and face the future with content and without worry."

"To-day we are losing not only religion but order, poise, and the appreciation of simple, natural things. Greed for money, greed for amusements, people may think they are finding happiness that way, but really they do not find it."

"I can no longer understand the behavior of some of the young women who come from what are considered our better class of homes. You have seen what goes on in our speak-easies. I have never entered one of those institutions, but I know pretty well, I think, what they are like. The picture of a decent young woman going up to a bar and ordering a whisky sour is one that could not have been visualized in the old days."

BEWAILS "DECLINE OF RELIGION"

"So many of our children are reared to-day not only without religious influence but in a decidedly antireligious atmosphere. Men of position go about preaching that science is the negation of religion. It isn't at all. Men have ever looked about them, seen and appreciated the beauty of growing things—flowers, grass, trees, birds—and felt a respect for the One who created it all. Humanity has always recognized the existence of a Supreme Intelligence."

"I can not understand intolerance in religion itself or among those who look upon religion with the eyes of irreligion. Long before Christ the philosopher Confucius said: 'All religions are good, but some are better than others.' That is true, eternally true. It is a thought that leaves it to every man to be satisfied with his own religion. Every man should think his own the best. If I did not believe that the one in which I was brought up is the best, I would change to the one I did think was the best."

As the judge spoke Mrs. O'Brien walked through an adjoining room. They have been married happily for more than half a century and are the parents of nine children. So when Judge O'Brien speaks of the making of a home one feels it to be a subject on which he is quite qualified to speak.

"One of the things I have always endeavored to have my children cultivate," he says, "is poise. Often when we are together I speak of it. As a people we are inclined to rush about nervously at the simplest provocation. I used to say to my children, 'Now, if you hear a voice in the street crying, 'Extra! Extra! Read abloop the bloop-blopp-blopp,' and you rush to the elevator and

the elevator doesn't happen to be at your floor at that very moment, don't get so excited that instead of waiting for it you must run all the way down the stairs. Keep your head, be calm, don't worry. Whatever has happened probably doesn't matter very much anyway."

WHAT OF THIS GROWING DISORDER?

With the general lack of poise Judge O'Brien also remarks an increasing disorder. In Manhattan, he says, a man who visits a friend's apartment for dinner never can be certain that he won't be held up on his way home. The judge recalls several recent stick-ups and temporary abductions which occurred in his own neighborhood—the East Sixties, which are supposed to enjoy a little more poise and quite as much good order as any other part of town. The judge remembers when that neighborhood not only was uptown but also all the way out into the country.

His opposition to prohibition is as whole-hearted as any man's, but he doesn't blame the growth of violence in this country entirely upon sumptuary legislation. He blames greed, too, and is not unmindful of the national exuberance which Jim Hill called recklessness.

"The Lord gave us a country blessed with wealth and resources such as no other country ever possessed," he says. "Our country contained coal, iron, copper, silver, gold, and other minerals, and in the fields we could produce everything needed for food and raiment, and these to an extent that we found there was more than we needed for our own people and that our surplus was available for export among other countries. Wherein we failed was in the distribution of our surplus. And we are to blame for tariff laws and barriers that have deterred the other countries from buying our surplus. Since we were the first to put up a high tariff I think we ought to be the first to take it down."

"A government was established by the fathers to secure 'life, liberty, and the pursuit of happiness.' These rights were embodied in a written Constitution. The fathers pledged 'their lives, their fortunes, and their sacred honor' in support of a 'government of the people, by the people, and for the people.' During the first hundred years these were secured and we enjoyed the benefits of what Gladstone, speaking of the Constitution, said was 'the greatest document that ever emanated from the brain and pen of man.' We had also in our personal, industrial, and commercial life unlimited opportunities to engage in any field of endeavor, and therefrom to secure for ourselves independence, peace, and happiness."

CITES CHANGES IN FAMILY LIFE

"In family life along simple lines we found peace and contentment. These latter have been impaired by luxury and fast living, resulting from the ill use of great wealth, so that the simple family life and the love for the home have been affected. In the wake of these changes came a disregard of the marriage tie and a loosening of the moral fiber of our people. These conditions brought about a disrespect for religion and were conducive to lax divorce laws."

"We departed from the lessons of the fathers by amendments antagonistic to the original structure of the Republic. To stem the tide of irreligion, immorality, and intemperance it was thought by many that prohibition was the panacea. And so, to experiment with it, we were willing to interfere with personal liberty and the sovereignty of our States. Whether it has failed in its purpose, whether it has brought in its wake crime and the greatest dangers to our growing generations, whether it has cost millions without resultant good, is one of the great issues that should be settled, definitely and finally, in the pending election if we are to have peace."

"Years ago Emerson, in speaking of the future of the Republic, said:

"In this country, with our practical understanding, there is at present a great sensualism, a headlong devotion to trade, to trade and to the conquest of continent—to each man as large a share of the same as he can carve for himself—an extravagant confidence in our talent and activity, which becomes, whilst successful, a scornful materialism, but with the fault, of course, that it has no depth, no reserved force to fall back upon when a reverse comes."

"Matthew Arnold, speaking with the authority of one of the world's great scholars and critics, in one of a series of American addresses said:

"And the philosophers and the prophets, whom I at any rate am disposed to believe, and who say that moral causes govern the standing and the falling of the States, will tell us that the failure to mind whatsoever things are elevated must impair with an inexorable fatality the life of a nation, just as the failure to mind whatsoever things are just, will impair it; and that if the failure to mind whatsoever things are elevated should be real in your American democracy, and should grow into a disease and take firm hold on you, then the life of even these great United States must inevitably suffer and be impaired more and more, until it perish."

FINDS WARNINGS WERE NOT HEEDED

"These warnings were permitted to go unheeded until the time when the world cataclysm as the aftermath of the war paralyzed the onward movement of trade and prosperity and our very civilization. It would have been well for us had we heeded the warnings against conditions which have engulfed not only our own country but the entire world in an industrial, economic, and social depression which now has lasted nearly three years. This has brought about financial and physical distress and has deprived the

great body of our people of the chance of employment. Our financial system was endangered and we were naturally thrown into confusion."

"In an effort to stem the merciless tide which had set in and to find means to overcome distressing conditions it has taken, if we measure time by the intensity, a long time to find ourselves. The difficulty of the problems and the newness of the suggested remedies added for a while to our uncertainty and instability and destroyed in a large part the courage and the confidence of our people."

"However, while we may be critical of many suggestions which were made we must remember that nothing quite like the experience we are going through ever occurred in the history of the world. In the past we have had national panics and business depressions brought about by causes we could fathom. We successfully surmounted them. But this is a world affair and presents problems difficult and new to us."

"Slowly we are finding ourselves and returning to views and policies that are calculated to overcome this world deluge. Our President and Congress, breaking through partisan and political lines, are now wholeheartedly engaged in a direct and decisive way in the enactment of measures that should bring the needed relief. The strengthening of our fiscal and banking institutions was a great step forward, and now that we no longer are in doubt as to their ability to meet any strain that may be put upon them, we are prepared to go forward in restoring trade and commerce to normal conditions."

FEELS BUDGET MUST BE BALANCED

"There remain, however, other important steps to be taken which, with what has already been accomplished, should enable us to avoid the dangers which threatened our national life. As I view it, taking up the question of the needs of government, whatever may be the hardships and sacrifices to be made and however burdensome they may seem to appear, it is essential that we should balance our governmental Budget through taxes and economy."

"Another lesson which has been forced upon us is that we can no longer regard our problems as exclusively domestic. Instead of an American mind we must become world-minded. Let us forget we are Democrats or Republicans, but glory in the fact that we are Americans, loving our country with every fiber of our hearts. No people or nation can stand alone. The war, reduction of armaments, and our modern inventions and the trend and direction of population have brought peoples in clear touch with one another, and to a realization that it is the principle of cooperation between nations that alone can secure peace and world harmony."

"Our most serious international problem is that of the inter-allied debts. Our people entertain diverse views on the subject. This makes the problem of settling them difficult. Unless they are quickly disposed of they will keep the world disturbed and will unnecessarily delay the establishment of right relations between the nations. This question will be taken up at Lausanne in June, and unless then settled in some satisfactory manner it will continue to be a bone of contention and a source of delay in restoring normal conditions."

"Many have expressed themselves as if there were no inter-allied debts, contending that the moneys advanced were merely our contributions toward the expense of the war. There are others firmly of the opinion that they are just debts and should be paid. A third class insist that whether they are or not just debts is immaterial because they should be canceled. As Chancellor Bruening recently said, 'In the interest of the whole world the time has come for a decision.' If at Lausanne that subject is to be reopened and some new adjustments made on the basis of what would seem to be the amounts which the debtor nations are now able to pay, then if we are to avoid having the question of interallied debts remain a constant source of irritation and disturbance to the reconstruction of the debtor countries, it would appear to be but reasonable that we should accept the assurance of each of the debtor nations that they would pay 'when able.'"

PAYMENT WAITS ON ABILITY

"We can not resort to force in order to obtain payments. In other words, we can never obtain the money due us unless the debtor nations are able to pay. Such a policy would allow time for the trade and commerce of the debtor nations to return to normal. Then there would unquestionably be a better chance to take up and dispose of the private and commercial debts, thus promoting trade and commerce among the various countries."

"With our international problems settled we can return with confidence to our domestic problems which are receiving the able and intelligent consideration of our President and Congress. With our banking system adjusted and strengthened, if we will speedily provide for a balanced Budget, if we will be sufficiently world-minded to come to an agreement with debtor nations, if we can dispose of prohibition so that its enforcement will no longer be a menace and a dangerous experiment, and if we will be more liberal with our tariff laws, there should be a favorable reaction in trade and business within a reasonable time. I have used the words 'within a reasonable time' because I feel that we must await the passing of the election period."

"Our national election always brings about a period of stagnation in business lasting several months before and after election. This brings up a question, often mooted, as to whether it would be advisable to extend the term of a President to six years and make him ineligible for reelection."

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Hull	Robinson, Ind.
Austin	Couzens	Johnson	Schall
Bailey	Cutting	Jones	Sheppard
Bankhead	Dale	Kean	Shipstead
Barbour	Davis	Kendrick	Shortridge
Bingham	Dickinson	Keyes	Smith
Blaine	Dill	King	Smoot
Bohr	Fess	La Follette	Steiger
Bratton	Fletcher	Logan	Stephens
Brookhart	Frazier	Long	Thomas, Idaho
Broussard	George	McGill	Thomas, Okla.
Bulkley	Glass	McNary	Townsend
Bulow	Goldsborough	Moses	Trammell
Byrnes	Hale	Neely	Tydings
Capper	Harrison	Norris	Vandenberg
Caraway	Hastings	Nye	Wagner
Carey	Hatfield	Oddie	Walcott
Cohen	Hawes	Patterson	Walsh, Mass.
Connally	Hayden	Pittman	Walsh, Mont.
Coolidge	Hebert	Reed	Watson
Copeland	Howell	Robinson, Ark.	White

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by the Dansville (N. Y.) Board of Trade, favoring the balancing of the Budget and drastic retrenchment in governmental expenditures, which was referred to the Committee on Appropriations.

He also laid before the Senate resolutions adopted by the Society of the Cincinnati, at Philadelphia, Pa., on May 5, 1932, opposing the passage of legislation granting additional compensation to veterans of the World War, and also curtailing personal liberties, and favoring the discontinuance of payments to veterans for nonservice disabilities, and the maintenance of the national defense, which were referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the board of directors of Lafayette Club, No. 2, of Oakland, Calif., favoring the passage of legislation to permit the manufacture, sale, consumption, and distribution of beverages with increased alcoholic content, which was ordered to lie on the table.

Mr. SMITH presented a memorial of sundry citizens, being barbers and beauty culturists, of Charleston, S. C., remonstrating against the imposition of a 10 per cent tax on toilet preparations in the pending revenue bill, which was ordered to lie on the table.

Mr. ASHURST presented a telegram in the nature of a memorial from C. P. Stephens, secretary of the Arizona Automobile Dealers' Association, of Phoenix, Ariz., remonstrating against the imposition of taxes on the automobile industry, which was ordered to lie on the table.

He also presented a memorial of sundry citizens of Tucson, Ariz., remonstrating against the imposition of taxes on the automobile industry and favoring instead the adoption of some form of general tax in the pending revenue bill, which was ordered to lie on the table.

Mr. COPELAND presented a resolution adopted by the Lawyers' Club, of Niagara Falls, N. Y., favoring the immediate repeal of the eighteenth amendment of the Constitution, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by Local Union No. 94, Uniformed Firemen's Association of Greater New York, N. Y., favoring the issuance of \$5,000,000,000 of bonds to finance construction of public works and other undertakings, so as to provide employment for idle men, which was referred to the Committee on Manufactures.

He also presented a resolution adopted by Nassau County Camp, No. 115, United Spanish War Veterans, at Mineola, N. Y., remonstrating against cuts in appropriations for the Army which would result in retiring 2,000 Army officers and curtailment of Reserve Officers' Training Corps and citizens' military training camp activities, which was referred to the Committee on Appropriations.

He also presented a resolution adopted by the board of directors of the Troy (N. Y.) Chamber of Commerce, favoring the immediate balancing of the Budget and retrenchment in governmental expenditures, which was referred to the Committee on Appropriations.

He also presented a resolution adopted by the board of directors of the Syracuse (N. Y.) Chamber of Commerce, favoring the consolidation of duplicating Federal activities and bureaus, the adoption of the President's plan in the adjustment of the pay of Federal employees, and general retrenchment in governmental expenditures, and opposing further veterans' relief legislation except for disabled and incapacitated veterans, etc., which was referred to the Committee on Appropriations.

He also presented a petition of sundry citizens, being employees of the Schlegel Manufacturing Co., of Rochester, N. Y., praying for the balancing of the Budget and retrenchment in governmental expenditures, which was referred to the Committee on Appropriations.

He also presented a petition of sundry citizens, being officers and employees of the Sheffield-Fischer Co., of Rochester, N. Y., praying for the balancing of the Budget and retrenchment in governmental expenditures, which was referred to the Committee on Appropriations.

He also presented a memorial of sundry citizens of Poughkeepsie, N. Y., remonstrating against the imposition of taxes on the automobile industry, and favoring instead some form of general sales tax, with exemptions, to be included in the pending revenue bill, which was ordered to lie on the table.

He also presented a petition of sundry citizens of Brooklyn, N. Y., praying for protection for the rendering industry, especially the imposition of an import duty of 2 cents per pound on oils and one-half cent per pound on oil-cake meals and oil cakes, which was ordered to lie on the table.

GOVERNMENTAL FOREIGN SERVICES

Mr. VANDENBERG. Mr. President, I have procured a typical compilation showing how seven different departments of the Government maintain separate and distinct foreign services in various foreign countries. The exhibit touches the four capitals at Copenhagen, Vienna, Mexico City, and Buenos Aires. These capitals were not chosen invidiously. They are presented merely as a typical cross section. The situation is more or less the same in every capital. I am not intending to be critical. I am simply submitting the challenge whether this is not another of the opportunities for economy through concentrations and combinations and coordinations and eliminations. I am speaking of net economy without loss of essential efficiency. I ask that this exhibit be referred to the Appropriations Committee for the use of its special economy subcommittee, and that it be printed in the RECORD.

There being no objection, the exhibit was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

Buenos Aires	
Embassy, State Department salaries:	
1 ambassador	\$17,500
1 counselor	9,810
2 secretaries	10,830
3 clerks	8,000
1 translator	1,800
9 messengers, janitors, telephone operator, gardeners, etc.	6,945
Total	54,885
Rent (residences)	5,885
Representation	3,000
Other expense	15,173
Total	78,943
Consulate general salaries:	
8 Foreign Service officers	27,390
15 clerks	22,640
2 messengers	1,020
Total	51,050
Rent (residences)	13,750
Other expense	16,400
Total	81,200

War Department:

1 military attaché.....	\$4,392
1 clerk.....	2,320
1 janitor.....	222
Total.....	6,934

Navy Department:

1 naval attaché.....	4,945
1 clerk.....	2,200
Total.....	7,145
Other expense.....	6,580
Total.....	13,725

Commerce Department:

6 officers.....	33,200
10 clerks.....	16,400
1 messenger.....	300
Total.....	49,900
Rent (residences).....	7,800
Other expense.....	13,796
Total.....	71,496

Agricultural Department:

2 officers.....	10,200
3 clerks.....	4,800
Total.....	15,000
Rent (residences).....	1,875
Total.....	16,875

Total staff, 69 persons.

Total annual cost, \$269,173.

Mexico City

Embassy, State Department salaries:

1 ambassador.....	\$17,500
1 counselor.....	9,630
4 secretaries.....	18,710
6 clerks.....	15,050
3 translators.....	7,000
16 messengers, janitors, guard, telephone operators, gardeners, etc.....	12,000
Total.....	79,890
Rent (residences).....	12,166
Representation.....	3,000
Other expense.....	12,112
Total.....	107,168

Consulate general:

9 Foreign Service officers.....	35,640
11 clerks.....	21,200
5 messengers, janitors, guards, telephone operators, etc.....	3,060
Total.....	59,900
Rent (residences).....	14,682
Other expense.....	8,985
Total.....	83,567

War Department:

1 military attaché.....	3,936
1 clerk.....	2,920
1 messenger.....	360
1 watchman.....	90
1 surgeon.....	2,000
Total.....	9,306

Commerce Department:

4 officers.....	18,600
4 clerks.....	6,400
1 messenger.....	500
Total.....	25,500
Rent (residences).....	4,500
Other expense.....	5,810
Total.....	35,810

Total staff, 70 persons.

Total cost, \$235,851.

Copenhagen

Legation, State Department salaries:

1 minister.....	\$10,000
1 counselor.....	8,640
2 clerks.....	4,450
2 translators.....	2,785
3 messengers, janitor, telephone operators, etc.....	2,665
Total.....	28,540

Legation, State Department salaries—Continued

Rent (residences).....	\$5,696
Representation.....	1,500
Other expense.....	3,269
Total.....	39,005

Consulate general: Salaries:

2 Foreign Service officers.....	15,020
13 clerks.....	17,720
2 messengers, janitor.....	960

Total.....	33,700
Rent (residences).....	4,566
Other expense.....	4,815
Total.....	43,081

Commerce Department:

2 officers.....	9,500
3 clerks.....	3,432

Total.....	12,932
Rent (residences).....	2,400
Other expense.....	2,575
Total.....	17,907

Labor Department:

1 technical adviser.....	3,700
Rent (residences).....	1,020
Total.....	4,720

Treasury Department:

1 surgeon.....	4,900
1 inspectress.....	1,020

Total.....	5,920
Rent (residences).....	2,097

Total staff, 34 persons.

Total cost, \$112,730.

Vienna

Legation, State Department salaries:

1 minister.....	\$10,000
2 secretaries.....	11,480
3 clerks.....	7,250
2 translators.....	1,460
8 messengers, janitors, telephone operators, etc.....	4,550

Total.....	34,740
Rent (residences).....	8,000
Representation.....	1,500
Other expense.....	5,487
Total.....	49,727

Consulate general:

3 Foreign Service officers.....	16,970
20 clerks.....	18,570
5 messengers, janitors.....	1,740

Total.....	37,280
Rent (residences).....	5,801
Other expense.....	7,334
Total.....	50,415

War Department:

1 military attaché.....	7,200
1 clerk.....	2,220
1 translator.....	600

Total.....	10,020
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Commerce Department:

2 officers.....	11,400
6 clerks.....	6,030
1 messenger.....	480

Total.....	17,910
Rent (residences).....	2,700
Other expense.....	3,455

Total.....	24,065
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Labor Department:

1 technical adviser.....	3,500
Rent (residences).....	1,200

Total.....	4,700
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Treasury Department:

1 surgeon.....	\$3,900
1 passed assistant surgeon.....	2,640
1 inspectress.....	300
Total.....	6,840
Rent (residences).....	3,255
Total.....	10,095
Total staff, 60 persons.	
Total cost, \$149,022.	

UNEMPLOYMENT PROGRAM

Mr. JONES. Mr. President, I have two copies of resolutions passed by a meeting of unemployed citizens of Auburn, King County, Wash. One of the resolutions urges the entrance by the Government upon the employment program, involving the expenditure of \$4,000,000,000 or \$5,000,000,000, and the other urges that a moratorium be declared with reference to mortgages on homes and other indebtedness. I ask that the resolutions may be printed in the Record and appropriately referred.

The VICE PRESIDENT. Without objection, it is so ordered.

The first resolution was referred to the Committee on Manufactures, as follows:

Whereas the United States of America is suffering from a nationwide commercial, industrial, financial, and economic depression, which has resulted in the closing of thousands of industrial and commercial institutions throughout the United States during the past three years, as the result of which millions of laborers have been thrown out of employment and deprived of a means of providing the necessities of life for themselves and families;

Whereas there are now in the United States of America approximately 45,000,000 people who are directly and indirectly affected by such unemployment on the part of heads of families and others having dependents, whose standards of living are greatly reduced or whose means of livelihood are entirely cut off as the result thereof;

Whereas thousands of banks, savings banks, loan associations, and other investment and financial institutions have failed and suspended business during the past three years as the result of said depression, thereby depriving millions of people in the United States of their life savings and greatly depreciating or entirely wiping out the investments of many more millions of people who deposited and invested their savings through such institutions;

Whereas millions of destitute and hungry men, women, and children, as the result of the conditions to which reference is hereinabove made, are walking the streets and tramping the highways in every State, Territory, and community in the United States seeking in vain for employment, and will starve to death unless a wise and beneficent government spreads over them the shield of its protection and makes suitable provision for their sustenance;

Whereas the present and preceding administrations of the United States Government have repeatedly placed themselves upon record as being in favor of conserving the natural resources of the Government, consisting of forests, minerals, water powers, and other tangible and intangible property rights belonging to the people;

Whereas billions of dollars annually are collected by the United States and State governments in taxes to maintain the Army, Navy, and police forces of the United States, and the several States and municipalities of the Union for the purpose of conserving the public peace and of protecting public and private property, all of which is an indirect contribution to the principle of conservation;

Whereas the men, women, and children of the United States constitute the most vital, valuable, and important natural resources of the Government of the United States and of the several States of which it is composed;

Whereas the conservation of the life, health, happiness, and general welfare of the people of this Union is imperatively necessary to the prosperity and welfare of the Nation;

Whereas the Government of the United States of America has heretofore appropriated hundreds of millions of dollars for the relief of the farming class throughout the United States;

Whereas the United States Government has also appropriated more than \$2,000,000,000 for the relief of banks, railroads, and other industrial and commercial institutions throughout the United States;

Whereas the Government of the United States has seen fit to declare a moratorium on international debts to the United States from European countries in the aggregate of more than \$10,000,000,000;

Whereas William Randolph Hearst has proposed that the Government of the United States issue and sell its bonds in the aggregate of \$5,000,000,000 for the purpose of creating a fund to be administered by the Government in the creation and construction of public works and public buildings throughout the United States, for the purpose of giving employment and relief to the unemployed;

Whereas the payment of an outright dole is contrary to the traditions of the American people, and would offend the pride and sense of propriety of many millions of persons who would be compelled to accept the same or starve, except as an absolute last resort; and

Whereas the United States Government could give employment and furnish relief to many millions of unemployed, hungry men, women, and children, and thereby enable them to maintain their self-respect, and at the same time to furnish to the Government full value for the means of their support by and through the Hearst plan of unemployment relief: Now, therefore, be it

Resolved, That the Unemployed Citizens' League, of the city of Auburn, county of King and State of Washington, does hereby approve the plan for the relief of the unemployed advocated by William Randolph Hearst, to which reference is hereinabove made, and does hereby petition the Congress and President of the United States to adopt and carry out such plan; and be it further

Resolved, That the president and secretary of this organization be, and they hereby are, directed to certify and forward copies of this resolution to the Washington delegation in Congress, and particularly to the two United States Senators from this State and the Congressmen from this district.

The annexed and foregoing resolution is hereby proposed by the following committee

ROSCOE ENSLEY.
A. L. FIELDS.
L. P. CLARK.

The undersigned, A. R. Walter and L. E. Tiffany, president and secretary, respectively, of the Unemployed Citizens' League of Auburn, King County, Wash., hereby certify that the annexed and foregoing instrument is a true and correct copy of the resolution passed by said Unemployed Citizens' League, at a regular meeting thereof, at Auburn, in King County, Wash., on the 13th day of May, 1932.

Attest:

A. R. WALTER, President.

L. E. TIFFANY, Secretary.

The second resolution was referred to the Committee on Banking and Currency, as follows:

Whereas the United States of America is suffering from a nationwide commercial, industrial, financial, and economic depression which has resulted in the closing of thousands of industrial and commercial institutions throughout the United States during the past three years, as the result of which millions of laborers have been thrown out of employment and deprived of a means of providing the necessities of life for themselves and families;

Whereas there are now in the United States of America approximately 45,000,000 people who are directly and indirectly affected by such unemployment on the part of heads of families and others having dependents whose standards of living are greatly reduced or whose means of livelihood are entirely cut off as the result thereof;

Whereas thousands of banks, savings banks, loan associations, and other investment and financial institutions have failed and suspended business during the past three years as the result of said depression, thereby depriving millions of people in the United States of their life savings and greatly depreciating or entirely wiping out the investments of many more millions of people who deposited and invested their savings through such institutions;

Whereas property of every kind and description in each State and community in the United States has greatly depreciated as the result of said depression, thereby greatly reducing or entirely cutting off the income of millions of people;

Whereas many millions of people in every State and community in the United States have been compelled, because of the conditions to which reference is hereinabove made, to place mortgages upon their homes in order to live, and are unable, because of want of employment or loss of income due to the conditions to which reference has been made, to pay said mortgages, or in many cases, the interest thereon;

Whereas millions of people in the United States will lose their homes as the result of foreclosures of mortgages due to the conditions to which reference is hereinabove made unless they receive relief from the United States Government;

Whereas the Government of the United States of America has heretofore appropriated hundreds of millions of dollars for the relief of the farming class throughout the United States;

Whereas the United States Government has also appropriated more than \$2,000,000,000 for the relief of banks, railroads, and other industrial and commercial institutions throughout the United States;

Whereas the Government of the United States has seen fit to declare a moratorium on international debts to the United States from European countries in the aggregate of more than \$10,000,000,000; and

Whereas the future stability and welfare of the Government of the United States depends primarily upon the owners of homes and other small property owners, each and all of whom are equally entitled to the considerations and paternal protection of the Government: Now, therefore, be it

Resolved, That the Unemployed Citizens' League, of the city of Auburn, County of King and State of Washington, be, and it hereby is, in favor of Congress and the President of the United States declaring a moratorium upon the payment of all mortgages

and other obligations upon homes in the United States; and be it further

Resolved, That the president and secretary of this organization be, and they hereby are, directed to certify and forward copies of this resolution to the Washington delegation in Congress, and particularly to the two United States Senators from this State, and the Congressman from this district.

The annexed and foregoing resolution is hereby proposed by the following committee:

L. P. CLARK.
A. L. FIELDS.
ROSCOE ENSLEY.

The undersigned, A. R. Walter and L. E. Tiffany, president and secretary, respectively, of the Unemployed Citizens' League, of Auburn, King County, Wash., hereby certify that the annexed and foregoing instrument is a true and correct copy of the resolution passed by said Unemployed Citizens' League, at a regular meeting thereof, at Auburn, in King County, Wash., on the 13th day of May, 1932.

A. R. WALTER, *President*.

L. E. TIFFANY, *Secretary*.

Attest:

BALANCING THE BUDGET

Mr. KEAN. Mr. President, I present a petition. I have a large number of these petitions, signed by more than 5,000 citizens of New Jersey, praying that we balance the Budget; stop all raids on the Treasury, including the cash bonus; that we cut Government expense to the bone but preserve the national defense; that we enact fair sales and stamp taxes, amend the Volstead Act, and tax light wine and beer. I ask that the body of the petition, without the names, be printed in the RECORD and that it be appropriately referred.

The VICE PRESIDENT. Without objection, it is so ordered.

The petition was referred to the Committee on Appropriations, and the body of it is as follows:

MAY, 1932.

The Hon. HAMILTON F. KEAN,

United States Senate, Washington, D. C.

Sir: We, the undersigned citizens and residents of New Jersey, respectfully request you to use your influence in Congress to have the following items favorably acted upon with the least possible delay:

- Balance Budget.
- Stop all raids on our Treasury, including cash bonus.
- Cut Government expense to bone but preserve national defense.
- Enact fair sales and stamp taxes.
- Amend Volstead Act and tax light wine and beer.

TROPICAL OILS AND THE FARMER

Mr. SCHALL. Mr. President, the farmers and the dairymen of Minnesota are opposed to the competition of the coconut cow. They are opposed to the tremendous importation of vegetable oils that tend to reduce to their own level of price animal fats.

The Minneapolis Tribune of April 21 contains an editorial precisely to the point. I ask to have it printed in the RECORD.

There being no objection, the editorial was ordered to lie on the table and to be printed in the RECORD, as follows:

TROPICAL OILS AND THE FARMER

The Hare bill, giving freedom to the Philippines, which is now before the Senate, is no doubt drawn in the interest of the Filipinos' political aspirations. But it gives little or no consideration to the American farmer whose market for the vegetable and animal fats produced on the American farms has been taken away from him.

The bill provides that for the next eight years the Philippines will be permitted to send to America, duty free, 200,000 long tons of coconut oil. This is an amount excessive of any importation from the Philippines up to the present time. The bill provides that the American farmer shall be in the same position in regard to his market for fats and oils for the next eight years as he is now.

To make the situation of the American farmers still worse, copra from all countries is admitted duty free into the United States. Even if the Philippines should reach the maximum amount of duty-free oil importations, they would still have the opportunity to send duty free into the United States an unlimited amount of copra which would be ground into coconut oil by the Pacific coast mills.

It makes no difference whatever to the American farmer whether the copra is ground into coconut oil in the Philippines or in the United States; he is robbed of his market just the same.

Congress and the two dominant political parties will be obliged, if they make any pretense of doing anything for the American farmer, to consider the whole field of tropical oil production.

Is it anything but absurd that we should be compelled to export 787,000,000 pounds of animal fats, while at the same time we import into this country 1,800,000,000 pounds of oils and fats?

It is true that we have a duty of 3 cents a pound on lard, but what does that amount to when we export 787,000,000 pounds? When we break down these figures of imports and exports the absurdity grows. While we export 787,000,000 pounds of animal fats which we are forced to sell in Europe at any price Europe chooses to offer us, we admit into this country 1,800,000,000 pounds of vegetable oils grown in the tropics. We import free of duty nearly twice as much vegetable oil as we export animal fats. While we are sending this 787,000,000 pounds of animal fats begging to the markets of Europe, we are bringing into this country copra, coconut oil, palm oil, Chinese wood oil, tung oil, inedible olive oil, palm-kernel oil, cod-liver oil, cod oil, vegetable tallow, sweet almond oil, croton oil, and rapeseed oil free of duty to a total of 1,300,000,000 pounds.

What has been the effect of this tremendous flow of tropical oils into the United States? The figures show that in the last 30 years, despite our tremendous gain in population, the number of hogs on American farms has not increased. In 1900, when the population of the United States was 76,000,000, we had 62,868,000 hogs on the American farm. In 1930, when the population of the United States was 122,000,000, the number of hogs on the American farm had decreased to 53,238,000.

In the face of these figures can anyone seriously maintain that the American farmer has been given the American market as has been promised him in every presidential campaign?

IMPORTATION OF LUMBER

Mr. FLETCHER presented a letter from Oliver P. Caldwell, New York City, N. Y., which was ordered to lie on the table and to be printed in the RECORD, as follows:

LUCKENBACH STEAMSHIP CO. (INC.).

New York, N. Y., April 28, 1932.

Hon. DUNCAN U. FLETCHER,

United States Senate, Washington, D. C.

DEAR SIR: There are before Congress for consideration two matters which are of vital importance in so far as they affect one particular industry, and that is lumber.

The bills are amendments H. R. 10236 and H. R. 8688.

I have no financial interest directly or otherwise in the lumber business, but I am chairman of the lumber committee of the United States Intercoastal Steamship Conference. The troubles of the intercoastal steamship operators have had much publicity, regarding which you are undoubtedly fully posted.

I have given much thought to the effect of Canadian lumber on both United States lumber operators and United States steamship operators. How can United States lumber operators in present difficult times maintain themselves in face of—

Foreign exchange rates?

Foreign labor?

Foreign steamship rates?

Foreign lumber is to-day being brought into the United States on foreign steamers on a basis that makes it almost impossible for United States dealers to do business.

It is the consensus of opinion of intercoastal steamship operators that on stability of eastbound lumber largely depends stability of this very important branch of our merchant marine. How can that stability be maintained if the principal commodity is permitted to be distributed on a lower basis by foreign interests than by American interests?

In addition to your other burdens, permit me to urge your careful consideration of this very important subject.

I am not writing you as a result of any committee or conference action but to express conclusions arrived at after 12 years of close contact with and careful study of the intercoastal lumber trade.

That my business competitors are agreeable to my acting as chairman of the lumber committee may be taken as evidence I know my subject.

Very truly yours,

OLIVER P. CALDWELL.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BARBOUR:

A bill (S. 4727) to amend the Reconstruction Finance Corporation act for the purpose of providing for employment through the construction of works of a national character, to provide funds therefor, and for other purposes; to the Committee on Banking and Currency.

By Mr. TYDINGS:

A bill (S. 4728) to provide for separate patents in case of any invention constructed in types or forms suitable for different uses; to the Committee on Patents.

By Mr. NORBECK:

A bill (S. 4729) granting a pension to Mattie Gilbertson (with accompanying papers); and

A bill (S. 4730) granting an increase of pension to Malinda Beard (with accompanying papers); to the Committee on Pensions.

By Mr. BULKLEY:

A bill (S. 4731) granting a pension to Florella Roe (with accompanying papers); to the Committee on Pensions.

By Mr. JOHNSON:

A bill (S. 4732) granting a pension to Fred Barker (with accompanying papers);

A bill (S. 4733) granting a pension to Laura F. Collins (with an accompanying paper); and

A bill (S. 4734) granting an increase of pension to Mary E. Watson (with accompanying papers); to the Committee on Pensions.

By Mr. HAYDEN:

A bill (S. 4735) to authorize the acceptance of relinquishments by the State of Arizona and the City of Tempe, Ariz., to certain tracts of lands granted by the act of April 7, 1930, and to direct the Secretary of the Interior to issue patent to said tracts to the Salt River Valley Water Users Association; to the Committee on Public Lands and Surveys.

By Mr. CAPPER:

A bill (S. 4736) to authorize the Philadelphia, Baltimore & Washington Railroad Co. to extend its present track connection with the United States navy yard so as to provide adequate railroad facilities in connection with the development of Buzzards Point as an industrial area in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

REVENUE AND TAXATION—AMENDMENT OF THE AGRICULTURAL MARKETING ACT

Mr. NYE submitted an amendment intended to be proposed by him to House bill 10236, the revenue and taxation bill, which was ordered to lie on the table and to be printed.

FLOOD CONTROL, LOWER RIO GRANDE VALLEY, TEX.

Mr. SHEPPARD. Mr. President, I submit two reports on flood-control investigations of the lower Rio Grande, one being a special report on flood-control investigations and the other being a report on preliminary investigations for flood control of the lower Rio Grande Valley, Tex., to be referred to the Committee on Printing with a view to having them made Senate documents.

The VICE PRESIDENT. The reports will be referred to the Committee on Printing.

PHILIPPINE INDEPENDENCE

Mr. BINGHAM. Mr. President, I hold in my hand a very interesting letter which the Hon. W. Cameron Forbes, recently ambassador from the United States to Japan and former Governor General of the Philippines, has written to my colleague the junior Senator from Connecticut [Mr. WALCOTT] in regard to the Philippine bill introduced by the Senator from Missouri [Mr. HAWES] and the Senator from New Mexico [Mr. CUTTING]. In view of the great interest in the bill and the importance of the communication and the value of the opinion of former Governor General Forbes in this matter I ask that the letter may be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The letter is as follows:

J. M. FORBES & Co.,
Boston, Mass., May 7, 1932.

HON. FREDERIC C. WALCOTT,
United States Senate, Washington, D. C.

MY DEAR SENATOR: On our recent interview you were kind enough to ask my opinion regarding the Philippine bill introduced by Senators HAWES and CUTTING and favorably reported to the Senate by the Committee on Territories and Insular Affairs. I have now gone over the bill with some care, and, in my opinion, it is important that if adopted it should be strengthened by a few amendments, which I shall take the liberty of suggesting.

While I personally believe that the interest of the Philippine Islands would be best served by a continuance of American sovereignty, under the present law, with such changes and alterations in the development of self-government as conditions may counsel, I can not but recognize the fact that, with the strong feeling manifested by the recent vote in the House of Representatives, and which I understand prevails likewise in the Senate, some steps will undoubtedly be taken by our Government to end

the present uncertainty and to stabilize the situation in the Philippines. It must be recognized that if some change in the political status of the Philippine people is not agreed upon now, it is practically certain that there will be a continuation of the agitation of recent years, with recurrent introduction of bills that would have an unsettling effect upon the people of the islands and a tendency to delay their progress.

I think the best compromise would be to pass some such measure as the Hawes-Cutting bill now before the Senate, with some amendments clarifying the provisions of the bill referring to the powers reserved to the United States during the period of transition in which American sovereignty would continue in the islands, thus making sure that conditions are such as will redound to the credit of the American Government and to the benefit of the Philippine people. In the report from the Committee on Territories and Insular Affairs of the Senate, accompanying the Hawes-Cutting bill, there appears under the heading, "Recognition of American Authority," the following statement regarding the transitional period:

"Pending the consummation of independence United States sovereignty will be represented in the Philippines by a high commissioner, who shall be recognized as such representative by all the departments of the Philippine government.

"The high commissioner will act as the representative of the United States, and he is vested with all the prestige and authority required for the discharge of such responsibility. He shall have access to all of the records of the government and have means at his disposal to acquaint himself with the manner in which the government of the commonwealth is conducted.

"Should any of the eventualities described in the bill, involving either the finances or the orderly functioning of the government, occur, the way is clear for the exercise of authority by the United States to remedy such condition.

"The governmental powers reserved to the United States and the United States high commissioner are effective to insure an efficient administration of public affairs in the Philippines."

I am in entire agreement with these views of the committee. In the report which General Wood and I submitted to President Harding in 1921, we said with emphasis that the United States should never find itself in the Philippines in a situation of responsibility without authority; and President Coolidge has expressed this view unequivocally. So long as our sovereignty obtains in the islands our responsibility must necessarily continue, and with this thought in mind I think the bill should express more clearly the authority reserved to the United States pending the grant of independence to intervene "for the preservation of the government of the Commonwealth of the Philippine Islands and for the maintenance of the government as provided in their constitution, and for the protection of life, property, and individual liberty, and for the discharge of government obligations under and in accordance with the provisions of their constitution." I also believe it necessary to include in the staff of the high commissioner a financial expert through whom a duplicate copy of the reports of the insular auditor should be submitted to the high commissioner and to whom appeals from the decisions of the auditor could be taken.

With the adoption of these suggestions I believe that the authority of the United States would be well defined and I then should find no valid reason to believe that a workable solution of the Philippine problem might not ensue.

With reference to the economic features of the bill, I think it is a matter of simple justice to the people of the Philippine Islands that if limitations are to be placed upon the quantities of certain products admitted into the United States free of duty, such limits should not be less than the amount of importations of such products at the present day. To lessen the amount would cause an undue hardship to established industries in the Philippine Islands and, moreover, would have the added disadvantage of tending to lessen their capacity for buying American products. Our foreign trade is none too great at the present time, and there is no question that the capacity of foreign countries or dependencies to purchase our goods will be measured, except for what is known as invisible exchange, almost directly by the amount of their goods which they can sell us.

The amendments to which I refer above and which I earnestly recommend are the following:

1. Add at the end of section 7, paragraph 2, the words "and also to take such action as in his judgment may be necessary in pursuance of the right of intervention reserved in paragraph (n), section 2, of this act."

2. Section 7, paragraph 4, delete, on page 31, line 13, the word "lawfully."

3. In section 7, page 31, line 19, after the word "Congress," change the period to a comma and insert the following: "Including a financial expert or comptroller, who shall receive for submission to the high commissioner a duplicate copy of the reports of the insular auditor, and to whom appeals from decisions by the insular auditor could be taken."

I have hesitated to suggest changes in this measure, knowing the labor and time that the committee have given to the study of the bill. But in view of your kind request and of my deep interest in the welfare of the Philippine people and the good name of the United States in its relations to those people I have taken the liberty to propose these amendments in the light of my nine years' experience in the Philippine Islands, first as Secretary of Commerce and Police and then as Governor General.

Respectfully yours,

W. CAMERON FORBES.

Mr. HAWES. Mr. President, the senior Senator from Connecticut, chairman of our Committee on Territories and Insular Affairs, caused to be inserted in the RECORD a short while ago a very informative, thoughtful, and, may I add, I think an epoch-making letter.

The letter is from the Hon. W. Cameron Forbes, former American Ambassador to Japan, for nine years Secretary of Commerce and Police, Vice Governor, and Governor General of the Philippines. He is, in addition, the author of a standard work on the history and government of the islands, one of the great histories that Americans have produced. It consists of two volumes, and I have been informed that its preparation cost Mr. Forbes nearly \$250,000.

A man of his vast experience in the Philippines, not only a student but a participant in its history, holding high official position, supplemented later by official life as Ambassador to Japan, finally fits him for an expression of opinion which I know will be welcomed by both the American and the Philippine people, for these latter hold him in very high esteem.

The letter of Ambassador Forbes is in keeping with the marked change of sentiment on this subject expressed by a change of editorial opinion of the press of the United States. In my own State, for instance, the press last year were almost unitedly opposed to the independence of the Philippines. They have practically all changed their editorial opinion to one favoring it.

The ambassador's indorsement of Senate bill 3377 is most welcome; his approval will clarify the situation and make more certain a settlement.

The Hare bill, the philosophy and contents of which are very similar to those contained in Senate bill 3377, passed the House of Representatives by a vote of 306 to 47, and of the absentees 42 additional have since stated that if present they would have voted for the bill, which would have given it the very unusual approval of an affirmative vote of 348 out of a total of 435.

Ambassador Forbes's letter speaks for itself. It will be noted that he approves the passage of what is called the Hawes-Cutting bill, with some clarifying amendments. After consulting with Senator CUTTING, these amendments have been prepared, covering even the exact language employed in Ambassador Forbes's letter, and I send them to the desk now, and ask that they be printed in the RECORD and lie on the table.

The three amendments intended to be proposed by Mr. HAWES and Mr. CUTTING to the bill (S. 3377) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes, were ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

On page 29, line 24, after the period insert the following: "The President shall also have authority to take such action as in his judgment may be necessary in pursuance of the right of intervention reserved under paragraph (n) of section 2 of this act."

On page 31, line 13, strike out the word "lawfully."

On page 31, line 19, after the word "Congress," change the period to a comma and insert the following: "including a financial expert or comptroller, who shall receive for submission to the high commissioner a duplicate copy of the reports of the insular auditor, and to whom appeals from decisions of the insular auditor may be taken."

Mr. HAWES. We believe these amendments should be adopted, especially as they come from such a high authority who has had such great and varied experiences in connection with the Philippine government and in the Far East in connection with all its problems.

Ambassador Forbes is right. As long as we retain the islands, there should be no question of the powers reserved to the United States during the period of transition from their status as a possession of the United States to the time of their independent nationhood.

I believe these amendments will make sure that conditions will redound to the credit of the American Government and to the benefit of the Philippine people.

In his letter Ambassador Forbes states:

I believe that the authority of the United States will be well defined, and then I should find no valid reason to believe that a workable solution of the Philippine problem might not ensue.

While Senate bill 3377 gave to the President the right to delegate to the high commission full authority to protect the sovereignty of the United States, the suggestion, followed by the amendments which I have introduced, gives this power direct to the commissioner, and strengthens the hands of the American fiscal agent.

The bill is intended to safeguard the interests of Americans for a reasonable term of years and the Philippine interests who were forced into a free-trade intercourse with the United States not by their own choice but by the direction of our Congress.

The ambassador in his letter wisely said:

I think it is a matter of simple justice to the people of the Philippine Islands that if limitations are to be placed upon the quantities of certain products admitted into the United States free of duty, such limits should not be less than the amount of importations of such products at the present day. To lessen the amount would cause an undue hardship to the established industries in the Philippine Islands, and, moreover, would have the added disadvantage of tending to lessen their capacity for buying American products.

It seems indeed fortunate that the ambassador, who has given so much of his time to the Far Eastern question and to a special study of the Philippine problem, should, near the close of the discussions which will set a definite date for the termination of our sovereignty, bring in practical suggestions and a harmonizing note. It is a fine thing for the American people and for the Filipino people that his rounded career should find this new place in history.

I am satisfied that this expression of opinion will have a far-reaching effect with the thoughtful students of this subject, and must impress itself upon the authorities both in the Philippines and in the United States.

Both the Senators from Connecticut have performed a valuable public service in giving this letter to the public and making it part of our national record, and it pleases both Senator CUTTING and myself to agree with the conclusions of the ambassador, and we shall urge the adoption of his proposed amendments.

This expression of opinion will clarify the situation so far as Japan is concerned, and the old oft-repeated "bugaboo" that Japan will seize the islands has been only part of the propaganda directed against independence in any form.

There are only 6,000 Japanese in the islands. They remain apart. They do not like the climate, and they have officially stated that they will sign articles of neutrality. The ambassador's statement furnishes another conclusive proof that there is no danger of such occupancy.

Mr. President, there is before the Senate an amendment proposed by the senior Senator from Minnesota proposing to place in this revenue act a tariff upon certain products coming from the Philippines. Time and again both committees in Congress and both branches of Congress have decided that until the Philippines become an independent nation or a definite date is set for their independence, it would be unjust to these people to place any restrictions upon their products. This applies to immigration as well as to their exports.

I have been requested by the Philippine commission now in the United States to ask for insertion in the RECORD, which I do now as part of my remarks, of a statement by this commission of the effect of the adoption of this amendment. The communication follows:

On May 16 Senator SHIPSTEAD submitted to the Senate an amendment intended to be proposed by him to House bill 10236, the revenue and taxation bill, now pending before the Senate. The amendment was ordered to lie on the table and, as printed on page 10249 of the CONGRESSIONAL RECORD of that date, is as follows:

On page 245, after line 10, insert the following:

"(9) Copra; hempseed; palm nuts; kapok seed; palm nut kernels; tung nuts; rapeseed; perilla seed; sesame seed; rubber seed, 1 cent per pound. The tax on the articles described in this paragraph shall apply only with respect to the importation of such articles.

"(10) Coconut oil, the product of the Philippine Islands; palm oil; perilla and sweet almond oil; tung oil; herring oil; pilchard

oil; whale oil; seal oil; sperm oil; crude, 2 cents per pound. The tax on the articles described in this paragraph shall apply only with respect to the importation of such articles.

"(11) Palm-kernel oil; sunflower oil; sesame oil; rapeseed oil; olive oil; all the foregoing if in inedible form, 2 cents per pound. The tax on the articles described in this paragraph shall apply only with respect to the importation of such articles."

In so far as it affects the Philippine Islands, the proposed amendments would impose a tax of 1 cent per pound on all copra coming from all parts of the world, including the Philippine Islands. Copra is now on the general free list of the United States tariff law.

The amendment also proposes to impose a tax of 2 cents per pound on "coconut oil, the product of the Philippine Islands."

In view of the provision that the "tax on the articles described in this paragraph shall apply only with respect to the importation of such articles," it is not clear whether the tax on copra is to apply to the Philippine Islands. However, taken in connection with the provision of the tax bill that "(5) Such tax shall be imposed in full notwithstanding any provision of the law granting exemption from or reduction of duties to products of any possession of the United States" (p. 240), it would seem that the real purport of the amendment is to include the Philippines.

The amendment proposed by Senator SHIPSTEAD is in effect an amendment to section 301 of the United States tariff act which provides free-trade reciprocity between the United States and the Philippines. On several occasions in the past attempts have been made to levy duty on the products of the Philippine Islands, principally sugar and coconut oil. All these attempts have failed. By overwhelming vote, both in the Senate and in the House of Representatives, during the last two years such proposals have been defeated on the ground that to levy duty on Philippine products while the islands remain under the American flag, the wards of America, would be unjust and discriminatory and in violation of the traditional policy of fair dealing which has always characterized America's administration of the Philippines. Moreover, it would seem unthinkable that the United States should restrict free imports from the Philippines or levy duty on their products while the Filipino people are compelled to admit duty-free into their market, without restriction, all American products and manufactures. This amendment, therefore, designs to accomplish by indirect process what Congress has repeatedly discountenanced when directly proposed in tariff bills.

The contemplated tax on coconut oil at 2 cents per pound in effect would apply to coconut oil coming from the Philippine Islands the rate which is fixed by the tariff act on all coconut oils coming from foreign countries. Such a tax would not only cripple but completely destroy the Philippine industry. Undoubtedly, it would result in stopping the importation of coconut oil from the Philippine Islands. Whatever advantages might accrue to American producers of fats and oils from this result, the real beneficiary would be not the American dairyman or farmer, but the American crushers of copra who would thus be freed from Philippine competition. The net outcome would merely be the transfer of the Philippine coconut oil-crushing industry to the United States, for coconut oil would continue to be used in competition with domestic dairy products.

The latest report published by the United States Department of Commerce shows that the shipment of copra into the United States for the first three months of 1932 was as follows:

Articles and countries from which imported	1931		1932	
	Quantity	Value	Quantity	Value
	<i>Pounds</i>		<i>Pounds</i>	
Copra.....	118,969,446	\$3,376,065	138,319,915	\$2,519,880
British Malaya.....	9,154,812	247,826	29,692,503	510,918
Netherlands East Indies.....	14,979,251	414,564	36,821,723	703,487
Philippine Islands.....	66,148,223	1,870,790	51,568,882	945,010
Australia.....	7,680,751	234,622	8,318,364	144,187
British Oceania.....	10,961,281	316,872	6,224,904	101,981
French Oceania.....	6,172,963	186,211	4,309,524	88,937

The same report shows the shipment of coconut oil, product of the Philippine Islands, for the same two periods to be as follows:

1931	
Coconut oil, product of the Philippine Islands:	
Quantity (pounds).....	96,273,974
Value.....	\$5,237,354
1932	
Coconut oil, product of the Philippine Islands:	
Quantity (pounds).....	71,940,571
Value.....	\$2,251,916

An analysis of these statistics shows a decided increase in the importation of copra from practically every source except the Philippine Islands, where there was a marked decrease. Again, the importation of coconut oil from the Philippine Islands this year is considerably less than during the corresponding period of last year.

The obvious fact is that more coconut oil enters the United States free of duty in the form of copra from other countries than enters as coconut oil from the Philippine Islands.

Free-trade relations between the United States and the Philippine Islands are a result of a development influenced principally

by political and moral considerations. Since the inception of American sovereignty over the Philippine Islands free trade has been considered by the American Government as the "logical result" of the relationship thereby created.

This was clearly stated by the Ways and Means Committee of the House of Representatives in 1905. The Republican majority, speaking for the committee, said in its report:

"The only logical result from our possession of the Philippine Islands is free trade between the islands and the rest of the United States. It is definitely settled that we retain them until the people are prepared for self-government. * * * They are wards of the United States, a part of our common country, and are entitled to fair trade relations. It is now as much our 'plain duty' to give them free trade as soon as practicable as it was in the case of Puerto Rico."

On the same occasion the minority stated the Democratic policy with regard to the Philippines, declaring:

"That all articles the growth and product of the Philippine Archipelago coming into the United States from the Philippine Archipelago shall hereafter be admitted free of duty."

In 1909, when free trade, with certain restrictions, which were later abolished, was established between the United States and the Philippines, Senator Elihu Root, in opposing the restrictions, said:

"You have the power. By the fortune of war the supreme, the irresistible power of this great Nation has been set over the weak and distracted people of the Philippines. But the possession of power carries with it an obligation that rises above all considerations of trade, all considerations of particular and of selfish interests—an obligation that we must recognize. If we do not, dishonor is the name of America. Terrible and arbitrary power that we exercise over these poor people, and they are helpless! They must accept our words."

"I for one, sir, am not willing to vote for a bill which, in my judgment, secures this great and powerful Nation an undue advantage over the weak people of the Philippine Islands."

"I believe, sir, that we have now upon us a duty we can not escape but must perform, and that we shall be engaged in the performance of that duty doubtless with many protests and many expressions of dissatisfaction but with fine, faithful, and loyal purpose on the part of the American people. I am not one of those, sir, who think that my country will be the worse for the great performance of this great act of unselfish altruism which befits the mission of liberty and justice to the poor and the weak of the earth that is a part of our heritage from our fathers."

In 1913 when the Democratic Party came into power and all restrictions on the free importation of tobacco, sugar, and rice from the Philippines were eliminated, Mr. Underwood, financial leader and spokesman of the Democratic majority in the House of Representatives, thus defined the stand of his party on this question:

"The change in this paragraph of the bill is largely striking out the limitation on the importation of sugar, filler and cigar tobacco and wrapper tobacco * * *. We may leave the limit where it is * * * but we would leave it where it is to the shame of every American citizen. We could not honestly face these dependent people who give us free trade in their markets if we close our doors to the only imports that they might possibly send here * * *. Because we do not want to stand and face the world in such a position as that and say [to the Filipinos] that 'under our law we command you to open the door, so that American goods can flow into your country,' because we have the power to do it, and then turn around and say to them that on the only thing that they can import, practically, into our country and make a market for we will close our doors and prevent them developing their trade. I say that no true-born American citizen who faces this question fairly and squarely and understands the situation will consent to that."

These pronouncements reveal the evident unanimity of policy pursued by both political parties as regards American-Philippine trade relations. Republicans and Democrats alike contributed their share of generous altruism in the treatment of the Philippines that has brought about the present reciprocal free-trade legislation. To this may be added that it was President Taft, first civil governor of the Philippines, who initiated this policy; but it fell to the lot of President Wilson to carry it to full accomplishment.

Free trade between the United States and the Philippine Islands has aided in the development of that country. But the advantages have not all been one-sided. With increased production the Philippines has enlarged its purchasing power as a market for American products and manufactures. During the first three months of the current year the Philippine Islands purchased more dairy products of the United States than any other country. It was first in the purchase of cotton cloth from the United States. And during this period when there was a marked decrease of cotton-cloth exports from the United States the exports to the Philippines were more than double those of the preceding year. The Philippine Islands was fifth of all countries in the purchase of wheat flour from the United States. It was first in the purchase of cigarettes from the United States. It was second in the purchase of oranges from the United States. It was third in the purchase of automobile tires from the United States. It was second in the purchase of book paper, and was one of the largest purchasers of machinery and of petroleum and its products from the United States.

Proposals to discriminate against Philippine products entering the United States bring up not merely economic questions but political questions. They involve not only the tariff but the

political relationship between the United States and the Philippine Islands. They concern not only copra and oil but raise moral issues of tremendous import in the eyes of 13,000,000 Filipinos.

The approval of the proposed amendment would make the Philippines a domestic territory for one purpose and foreign territory for another. It would make the Philippines a part of the United States in so far as it is to America's advantage to make it so, but a foreign country, outside of your tariff walls, when its interests may in any way, real or imaginary, conflict with the interests of American producers and investors.

Such treatment would be extremely injurious to the Filipino people. It would mean a reversal of America's traditional policy with regard to them. It would place the United States on a course of economic exploitation of a dependent people.

There are now pending before the Senate the Hawes-Cutting bill and the Hare bill, both providing for a final and definite settlement of the Philippine problem, and pending independence regulating trade relations between the United States and the Philippines under terms which are considered adequate to safeguard the interests of both countries. The Hare bill passed the House of Representatives by a practically unanimous vote. The Hawes-Cutting bill has been included in the legislative program of the Senate, and it is to be expected that together with the Hare bill it will soon receive due consideration. It would seem only just and fair, therefore, to defer action on proposals such as those contained in the Shipstead amendment until the Philippine independence bills are laid before the Senate and the whole Philippine problem discussed in all its different phases.

Believing that you will not fail to see the injustice and unfairness of the proposed amendment as it affects the Philippine Islands, we make bold to hope that the amendment will be rejected.

Very respectfully,

For the Philippine mission:

SERGIO OSMENA.
MANUEL ROXAS.

BUSINESS OF THE SESSION—LETTER FROM DISTINGUISHED CITIZENS

Mr. ROBINSON of Arkansas. Mr. President, yesterday I received a letter signed by a number of distinguished citizens. The letter was addressed to the Senator from Indiana [Mr. WATSON] as majority leader in the Senate; to myself as minority leader in the Senate; the Hon. CHARLES R. CRISP as majority leader in the House of Representatives, that being an error, Mr. CRISP being the acting chairman of the Committee on Ways and Means; and the Hon. BERTRAND H. SNELL, minority leader in the House of Representatives.

The letter was signed by Hon. Nicholas Murray Butler; Messrs. William H. Crocker, of California; John G. Hibben, of New Jersey; Alanson B. Houghton, of New York; Frank O. Lowden, of Illinois; Charles Nagel, of Missouri; Alfred E. Smith, of New York; Wilbur L. Cross, of Connecticut; Joseph B. Ely, of Massachusetts; Roland S. Morris, of Pennsylvania; and Albert C. Ritchie, of Maryland.

The letter was given to the press by the authors and published throughout the country. I am going to ask to have printed in the RECORD the message referred to and my reply to it, which is being mailed this morning. I do not intend to enter upon a discussion of the subject matter of the letter. The reply contains all the statement I think appropriate to be made at this time.

The VICE PRESIDENT. Without objection, the letter and the reply of the Senator from Arkansas will be printed in the RECORD.

The letter and reply are as follows:

NEW YORK CITY, May 21, 1932.

HON. JOSEPH T. ROBINSON,
Washington, D. C.

MY DEAR SENATOR ROBINSON: It gives me pleasure to send you herewith a letter addressed to you as minority leader of the present Senate, which I trust you will find self-explanatory.

Each person whose name is attached thereto has personally authorized his signature.

With cordial greeting and regards, I am,
Faithfully yours,

NICHOLAS MURRAY BUTLER.

NEW YORK CITY, May 21, 1932.

HON. JAMES E. WATSON,
Majority Leader United States Senate.

HON. JOSEPH T. ROBINSON,
Minority Leader United States Senate.

HON. CHARLES R. CRISP,
Majority Leader House of Representatives.

HON. BERTRAND H. SNELL,
Minority Leader House of Representatives.

GENTLEMEN: The undersigned view with so much concern the possible effect upon our social and political institutions of the grave economic and financial problems which confront the American people that, on behalf of vast numbers of our fellow citizens,

we appeal through you to the Members of the Senate and of the House of Representatives to lay aside every form of partisanship and of possible partisan advantage and quickly to unite to adopt a balanced Federal Budget for the coming fiscal year, as well as to enact a plan of taxation which shall be economically sound, fair to every group and calling, and without discrimination or privilege or class or sectional advantage of any kind.

It is our judgment that conditions are so grave that this action should be taken at the earliest possible moment.

Respectfully,

NICHOLAS MURRAY BUTLER, New York.
WILLIAM H. CROCKER, California.
JOHN GRIER HIBBEN, New Jersey.
ALANSON B. HOUGHTON, New York.
FRANK O. LOWDEN, Illinois.
CHARLES NAGEL, Missouri.
ALFRED E. SMITH, New York.
WILBUR L. CROSS, Connecticut.
JOSEPH B. ELY, Massachusetts.
ROLAND S. MORRIS, Pennsylvania.
ALBERT C. RITCHIE, Maryland.

MAY 23, 1932.

The Hon. NICHOLAS MURRAY BUTLER,
Broadway at One hundred and sixteenth Street,
New York City.

MY DEAR MR. BUTLER: I am in receipt of a letter signed by you; Messrs. W. H. Crocker, California; John G. Hibben, New Jersey; Alanson B. Houghton, New York; Frank O. Lowden, Illinois; Charles Nagel, Missouri; Alfred E. Smith, New York; Wilbur L. Cross, Connecticut; Gov. Joseph B. Ely, Massachusetts; Rowland S. Morris, Pennsylvania; and Gov. Albert C. Ritchie, of Maryland, addressed to Senator WATSON as majority leader; myself as minority leader in the Senate; Hon. CHARLES R. CRISP, as majority leader in the House of Representatives; and Hon. BERTRAND H. SNELL, minority leader in that body.

The Members of the Senate and the House are requested in the message "to lay aside every form of partisanship and of possible partisan advantage and quickly unite to adopt a balanced Federal Budget for the coming fiscal year," etc.

May I say in reply that from the beginning of the present session of Congress a sincere effort has been made to pursue the course suggested, and it is my belief that a fair review of the proceedings in both bodies will disclose practical unanimity of purpose to balance the Budget without regard to partisan advantage. This policy has been rendered somewhat difficult by the continuous delivery of partisan addresses and announcements by members of the President's Cabinet and others occupying high places in the national administration. The injection of tariff provisions in the revenue bill has without doubt resulted in some confusion and is calculated to cause delay in the passage of the revenue bill.

The differences which from time to time have arisen touching the legislation seem not so much attributable to sectional or partisan controversies as to varying economic viewpoints.

Recognizing the grave conditions which prevail, it is my purpose, in so far as I am able, to continue to contribute to just and fair conclusions touching the very important subjects referred to in your message.

Please be kind enough to advise those who joined in your message of this reply.

Sincerely,

JOS. T. ROBINSON.

MESSAGES FROM THE PRESIDENT

Several messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts:

On May 19, 1932:

S. 2409. An act to amend Title II of the Federal farm loan act in regard to Federal intermediate-credit banks, and for other purposes.

On May 20, 1932:

S. 418. An act to extend the admiralty laws of the United States of America to the Virgin Islands;

S. 694. An act to authorize the sale of interest in lands devised to the United States under the will of Sophie Chanquet;

S. 1335. An act to remove the limitation upon the filling of vacancy of district judge for the district of New Jersey;

S. 2498. An act to authorize the transfer of jurisdiction over public land in the District of Columbia;

S. 4148. An act to permit the United States to be made a party defendant in certain cases; and

S. 4416. An act to provide for the transfer of certain school lands in North Dakota to the International Peace Garden (Inc.).

On May 21, 1932:

S. 290. An act to establish a memorial to Theodore Roosevelt in the National Capital; and

S. 2955. An act to amend the World War veterans' act, 1924, as amended.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6477) to further extend naturalization privileges to alien veterans of the World War residing in the United States.

REVENUE AND TAXATION

The Senate resumed the consideration of the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes, the pending question being on the amendment of Mr. TRAMMELL to the amendment of the committee, on page 244, line 7, after the word "measure," to insert:

Phosphate rock (phosphorites, colophane, and apatites) containing more than 70 per cent of tribasic phosphate of lime, 8 cents per 100 pounds.

So as to make the committee amendment read:

(6) Lumber, rough, or planed or dressed on one or more sides, \$3 per 1,000 feet, board measure; phosphate rock (phosphorites, colophane and apatites) containing more than 70 per cent of tribasic phosphate of lime, 8 cents per 100 pounds; but the tax on the articles described in this paragraph shall apply only with respect to the importation of such articles.

Mr. FLETCHER. Mr. President, I shall not detain the Senate very long in giving my reasons for supporting the amendment advocated by the Senator from Washington [Mr. JONES] proposing a duty on lumber, and for favoring the amendment to that amendment offered by my colleague [Mr. TRAMMELL] providing for a duty on phosphate. The two amendments should be considered together.

The lumber industry of the United States is now operating at approximately 20 per cent of its capacity. The object of this amendment is to provide an equalization of competitive conditions for the American forest industry. It has been stated, and I assume that it is true, that Canadian trade agreements with Australia, South Africa, England, Ireland, and Scotland provide for preferential duties over other countries, and the general depreciation of foreign currencies has practically eliminated the exportation of lumber by the United States to countries which heretofore have consumed tremendous quantities. I have a letter this morning—whether it states the facts or not I am not prepared to say, but I have no reason to doubt its accuracy—to the effect that France has imposed an embargo on lumber. At any rate, our foreign markets have been almost eliminated. The industry is confined to the domestic market, which has fallen off very materially.

In Florida 9 or 10 immense mills have been closed down. They have on hand stocks of lumber sufficient to supply the demand at the present rate for two years or more. Other mills are running on part time. Many men have necessarily been dismissed and thrown out of work; many others are receiving not more than one-third of their ordinary pay. Hundreds of them are working for a dollar a day whose pay heretofore has been from \$3 to \$5 per day. It is important, therefore, and of interest to us, to see that the people employed in this industry are not disengaged, are not added to the number of unemployed, hopeless and helpless in this country. Many mills are operating on part time merely for the purpose of keeping their forces intact, so far as possible, and providing means for their living. Workers in this industry, to a large extent, are trained exclusively in the industry. They are men cutting logs, conveying logs to the mills, handling the logs at the mills and manufacturing them into lumber; they are engineers, foremen, sawyers, skilled men, who, if thrown out, can not engage in something else; there is nothing else available for them; they have no other opportunity for employment; and it is a cruel thing, a pitiable thing, to see this industry in such a state that it must turn off its employees, dismiss them, and confine its activities entirely to the domestic market, which at present is wholly inadequate to take their products.

It may be that the proposed duty will not very greatly advance the industry. Those engaged in it think it will. It certainly can do no harm to the industry and can not do the people of the country any harm. The consumers of the material will not have to pay higher prices, because the competition in the business itself will regulate that. With the stocks of lumber already on hand sufficient for years to come there will be terrific competition among the producers themselves, and there is no prospect whatever that a duty of this kind will increase the cost of lumber to the consumer. In addition to that, if there is a stimulation of the market, if there is encouragement to the industry such as to start the mills going, the output among all the mills will be such that it will be impossible to raise prices beyond a competitive level.

The importations from Canada, from Russia, and from other countries, where they dispose of their surplus at reduced prices in our markets, ought to be, to some extent, checked, if not eliminated.

I therefore favor the amendment offered by the Senator from Washington. I think it will mean a great deal to this very important industry in which millions of dollars have been invested and in which thousands of men are employed.

Then, Mr. President, I favor the amendment offered by my colleague with respect to phosphate. The situation in that regard is quite clearly set out in a statement which I inserted in the RECORD on Saturday by Mr. Martin H. Grace. I will not repeat all the details in connection with it. My colleague [Mr. TRAMMELL] made a most admirable statement in regard to the subject on Saturday, and I do not care to repeat what has heretofore been said. I will call attention, however, to a few salient facts in connection with the proposed excise tax on phosphate rock.

The importation of phosphate rock into the United States is set forth by the Department of Commerce as follows: In 1926, 17,378 long tons, of a value of \$192,611; in 1927, 28,195 tons; in 1928, 45,812 tons; in 1929, 44,899 tons; and in 1930, 32,658 tons, of a value of \$377,177.

The phosphate industry is active in Florida, Tennessee, Idaho, Wyoming, and Montana, and the invested capital in the industry is placed at \$67,000,000. It furnishes employment directly to some 4,000 men, and estimating 5 to a family, that means 20,000 persons are dependent upon this industry. The sales in 1930 amounted to 3,926,392 tons, of a value of \$13,996,830.

The entire product is moved by railroad, thereby adding substantially \$6,000,000 to their revenues. Coastwise vessels, which by law must be registered under the flag of the United States, transported about 1,500,000 tons, and benefited to the extent of more than \$2,500,000. That gives an idea of the importance and significance of this industry.

Florida is greatly interested, because in that State there is mined something like 80 per cent of the phosphate mined in this country.

The principal threat to the American phosphate industry is in the operations in the French protectorate of Morocco, where the Moroccan Government exercises a monopoly of the production and sale of phosphate rock and employs Arab labor, which is paid wages of about 25 cents a day. The material is transported from the mines over Government-owned railroads to Government docks at the port, and the total cost of mining, drying, refining, and transporting figures up to \$2.80 per gross ton free on the dock at Casablanca, Morocco, at which point it is placed aboard vessels at a cost for wharfage and handling of less than one-fifth of the sum paid in the equivalent Florida ports.

That, Mr. President, gives a picture of the monopoly under the Moroccan Government, where the supply seems to be unlimited, where labor is paid 25 cents a day, where the Government railroad carries the product at cost, and where the Government docks afford facilities for its transportation, all at rates one-fifth of what it costs the producer in this country.

Furthermore, the Moroccan phosphate industry is reaching out not only after all the European market, which formerly took the phosphate from this country, but to a large extent it is absolutely determined to dominate the markets of the world and is preparing to import this material into the United States in vastly increased quantities.

The Moroccan operations commenced in 1921, in which year 8,100 tons were produced and sold. In the year 1930, 1,779,000 tons were produced and sold.

The policy of the Moroccan Government monopoly is to dominate the high-grade markets of the world at any price. Low ocean freight rates are helpful to them. Doubtless they bring a large amount of this material, or are prepared to do so, to the United States in ballast, so that the transportation is very cheap.

When Morocco commenced importations to the United States in 1927 at a price of \$4 per ton f. o. b. Casablanca, the American miners resorted to the antidumping provisions of the tariff law; and upon application the Secretary of the Treasury found that dumping was being practiced, as per his decision of February 9, 1928. That decision, however, has been appealed from, and the question is now in the courts. In October the United States Court of Customs and Patent Appeals will hold a term and pass upon the soundness of that conclusion of the Treasury Department, and may reverse it. It may declare it illegal, and then there will be no sort of protection to the American producer under the law.

The productive capacity of the present installations at Khouriga, based on the port of Casablanca, Morocco, is 2,500,000 tons per annum, plus 1,000,000 tons already mined, ready for shipment. For the past several years the Moroccan Government has been building up a new port, known as Safi, and has been constructing a new railroad from this port to new phosphate mines in that country.

The present monopoly is actively prosecuting work at this new mine for the erection of a plant that will be capable of producing an output duplicating that of the mines at Khouriga. It has also opened an office in New York, and is prepared now to go ahead with importing phosphate rock to the United States in immense quantities, at low rates of freight, under a Government monopoly.

The primary economic advantage to be derived from the maintenance of present operations in the mining of phosphate rock in the several States of Florida, Tennessee, Montana, Idaho, and Wyoming is the continued employment of 4,000 workers who would be thrown out of work by the cessation of this mining. Upon the basis of five persons to a family, this would amount to 20,000 people whose means of support would be taken away from them should phosphate-mining operations in the United States cease; and the present condition of the industry is such that it can not carry on with this sort of competition. The supply in Morocco is unlimited, as I have stated. The Moroccan producers have reached out and are taking away from us many of our foreign markets in Europe, and they are now coming here with their phosphate to take away our domestic market. Our producers can not produce the material at the cost at which this monopoly produces it, paying 25 cents a day for labor; and with the low rate of freight it is impossible for us to live under those conditions. Our mines will have to close down. That means a loss of employment to the people engaged in the industry, and the sacrifice of the immense capital—some \$67,000,000—invested in the industry; and once the monopoly is thoroughly established and takes possession of our market, there is no telling where the price will go. They will be in position to charge what they please for phosphate. We will be eliminated, and they will fix their own price. They are, therefore, interested in delivering their materials here even below the cost of production in order to capture this immense market.

I desire to point out that my colleague [Mr. TRAMMELL] has so framed this amendment that it can not possibly meet with any objection upon the theory that it might add to the cost of fertilizer. The phosphate described in the

amendment does not enter into the manufacture of fertilizer. It enters into the chemical industry. He has fixed the grade of the phosphate at such a figure, as will be seen by the amendment, that it has no application whatever to the phosphate that goes into fertilizer. Consequently there need be no anxiety on that score on the part of the people who are interested in that subject—and I am one of them. I would not venture to advocate here a proposal that would increase the price of fertilizer to the farmers of the country, notwithstanding it might benefit some particular industry in my State. Generally speaking, I could not support any proposition here that taxed the farmers of the United States. This amendment will not do it. Even if it did apply to the kind of phosphate that entered into the manufacture of fertilizer, in my judgment the competition would prevent a rise in the cost of fertilizer to the consumer.

This amendment, however, does not apply to that kind of phosphate at all. It is 70 per cent fine. It is the higher-grade product. It goes into the chemical industry. That is the only kind of phosphate that is referred to in this amendment. It can not, therefore, possibly have any influence whatever on the price of fertilizer. It gives a degree of care and consideration for the highest-grade phosphate that enters into the chemical industry and does not enter into the manufacture of fertilizer.

Therefore I think there is no valid argument against this amendment upon any ground whatsoever. Once this foreign monopoly dominates the American market, shutting down the American mines, the price of phosphate in the United States will be raised to far higher levels than that of to-day. To-day prices are the result of free competition among freely competing fields and between freely competing producers in each field with capacity easily sufficient to supply twice the normal consumption of the United States.

The statement furnished by Mr. Grace asserts—and I have every reason to rely upon its accuracy:

We know that the Moroccan Government has got all its plans set for the invasion of this market and that headquarters have been established in New York City. We do not think it can be entirely repelled. We believe that even if an excise tax of one-tenth cent per pound should be imposed, nevertheless there would be an increased movement of phosphate from abroad into this country and that the figure of 250,000 tons is not too much to be expected, and that if our request for such an excise tax is granted the Government would derive a revenue of approximately half a million dollars per annum.

That is the revenue side of the matter. There would still be imported a certain amount, say 250,000 tons, from Morocco, which would have its effect upon our markets; but undoubtedly we would receive from it a revenue of something like half a million dollars per annum.

So, Mr. President, I can see no argument whatever against this amendment to the amendment that is pending. Indeed, I should like to see the Senator from Utah accept it as a part of the committee amendment, and let us take a vote on the committee amendment as amended by the proposal of my colleague.

There comes to me this morning a point which I had not thought of before. This communication says:

In the phosphate business we have always figured that an additional 10 cents in the cost of a barrel of oil means an additional cost of 5 cents per ton in the production of phosphate.

I did not know these people were so much interested in that subject; but this communication comes from those who know.

Now, there are 42 gallons in a barrel of oil; and a tax of a half cent a gallon means that the cost of a barrel of fuel oil is going up 21 cents. Applying the above-mentioned rule, we get the result that the cost of production of phosphate will be increased by 10½ cents per ton.

So that by the action on Friday we will impose an additional burden on the producers of phosphate rock. If it be true that this tax on oil will increase the price to the consumer, they will be affected by an increase of 10½ cents per ton on their phosphate. So, as a matter of fairness, our friends who supported the oil tax ought to support this tax, because by imposing that tax they have added 10½ cents a

ton to the cost of the producer of phosphate. I appeal to them, therefore, to be fair and just in this matter, and consider this item from that standpoint also.

BUSINESS OF THE SESSION—LETTER FROM DISTINGUISHED CITIZENS

Mr. WATSON. Mr. President, I desire to advert for a few moments to a communication placed in the CONGRESSIONAL RECORD by the distinguished leader of the minority, the senior Senator from Arkansas [Mr. ROBINSON], a communication signed by many distinguished citizens of the United States, in which they exhort us to lay aside every form of partisanship and of partisan advantage and to attend strictly to the business of the country.

Mr. President, coming from gentlemen with such knowledge of public affairs as these men possess, I confess that I am astonished at the contents of the communication. In very truth it comes many months late. It all the more astonishes me because of the apparent lack of knowledge on the part of these gentlemen of the situation in the Congress at this time, and of the conditions with which we have dealt and the manner in which we have dealt with them since the inception of this session.

Never in the history of this country, in any time of peace, has there been such a slight display of partisanship as during the present session of Congress in the Senate of the United States in dealing with the momentous problems which have confronted us from its beginning. In fact, from the time of the nonpartisan meeting of certain gentlemen in the White House last October, in which more or less of a plan of future legislation was formulated, down to this time, there has been as slight a manifestation of partisanship as I have ever known in my experience in Washington, or have ever come in contact with in reading the annals of previous sessions of Congress.

The moratorium was dealt with in nonpartisan fashion; there was no politics in it.

The bill for the establishment of the Reconstruction Finance Corporation was dealt with wholly in nonpartisan fashion. There was no thought of partisanship in the consideration of that measure.

The first Glass bill that was passed was dealt with in wholly nonpartisan fashion, both in the Committee on Banking and Currency and on the floor of the Senate of the United States.

The other bill reported by the Committee on Banking and Currency, which was laid aside for the temporary consideration of the revenue measure, was wholly nonpartisan, dealt with in nonpartisan fashion by the committee, and dealt with in nonpartisan fashion by the Senate up to the time when it was laid aside to make way for the more important pending legislation.

The pending bill itself, up to the present time, has been considered largely in a nonpartisan way, because, even considering the tariff proposals, to which I shall not in detail refer, there has been a division in both parties on both sides of the question.

Mr. President, the economy measure which is to come from the Committee on Appropriations within a few days is wholly nonpartisan. It is being dealt with in the Committee on Appropriations in a nonpartisan manner, and doubtless when it comes to the floor of the Senate it will be considered in the same way.

So far as I know, every problem of consequence which will come before Congress at this session will be dealt with in nonpartisan fashion; and I want now publicly to thank the leader on the other side and his colleagues and associates for having so often submerged their partisan opinions in order that we might enact legislation for the benefit of the country and the welfare of its people.

Therefore I think the communication to which reference has been made, which is a part of the general propaganda throughout the country to "soak" the Congress and to criticize the Senate for its "laggard" habits and its refusal to act upon important problems, is entitled to more than brief consideration.

Mr. President, people who are not familiar with legislative methods do not know of the many perplexities that confront

us, of the many difficult situations which we have to meet as legislators. If they did know, instead of criticizing us throughout the country they would be praising us for the progress we have made and for the nonpartisan way in which we have handled these great questions.

I think it is due to the Senate and to my colleagues and associates on both sides to say that if the gentlemen who have written the letter do not understand the situation they should understand it, and if they have understood it they have temporarily forgotten it.

I make this statement because I think it due the Senate of the United States.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. WATSON. I have concluded.

Mr. THOMAS of Oklahoma. If the Senator will yield, I want to call the attention of the Senator to the last few lines of this letter, and then to suggest an inquiry. The lines to which I refer are as follows:

to adopt a balanced Federal Budget for the coming fiscal year, as well as to enact a plan of taxation which shall be economically sound, fair to every group and calling, and without discrimination or privilege or class or sectional advantage of any kind.

Mr. President, that is very general. The words mean nothing except a desire in which, I am sure, we all concur and join.

I wanted to ask the distinguished Senator from Indiana if he would not agree to this suggestion, that these distinguished gentlemen be asked to submit us a bill of particulars, and point out wherein we could do the things which they suggest should be done, more specifically and more definitely.

Mr. WATSON. Mr. President, in the consideration of a matter of this kind one must exercise due self-restraint. I do not think I want to answer the question of my honored friend, because it might lead me into some statements which might be considered somewhat extreme.

I think that if authors of the letter should formulate a plan, it would be one to which we would pay no attention, because, in my judgment, they could not sit down and consider the questions with which we have been dealing for weeks and suggest anything like as intelligent a solution as we now are engaged in working out for the country.

Mr. THOMAS of Oklahoma. Mr. President, that was the idea I had in suggesting the inquiry. If these gentlemen would suggest any relief, I think it would be so fallacious that the country would see immediately that it was fallacious.

Mr. COPELAND. Mr. President, the only reason why I rise to speak at all on this subject is because the communication which has just been put into the RECORD emanated from New York City. It is signed, among others, by several New York men, some of whom happen to be personal friends of mine.

I think it is utterly unfair for those outside of the Congress to criticize the Senate for its alleged failure to act on pending measures of great importance to the country. Purely voluntary letters are all right, of course, but I am flooded, as I assume other Senators are, with letters which are propaganda and nothing else. They are sent out by thousands of citizens of my State, finding fault with me, and finding fault with the Senate because of its failure to balance the Budget. It is not fair that those letters should be sent, because everybody who sits in this Chamber knows, and every well-informed person in America knows, that every honest effort is being made by every Senator here to balance the Budget. Every effort is being made to pass a tax bill which will be as reasonable as possible under the unfortunate circumstances in which the country finds itself.

I am surprised that these particular men, the signers of the letter before me, who are publicists, who are usually well informed regarding matters of public interest, should turn aside from their daily occupations to criticize a body of men working day and night to accomplish the very things they have in mind.

In my opinion, the letter was gratuitous, and utterly uncalled for, and I want to say for the benefit of those of my

constituents who pay any attention to what I may say, that on both sides of this Chamber there is an apparent determination to accomplish as speedily as possible exactly what the country is demanding. The Senate will not adjourn until the Budget is balanced, and until a tax bill is passed which will be as satisfactory as any measure to raise money can possibly be.

Mr. FESS. Mr. President—

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Ohio?

Mr. COPELAND. I yield.

Mr. FESS. I think what the Senator has said will be indorsed by every Senator as to the mail he receives on any particular day. Nearly every correspondent expresses a desire that we balance the Budget. "We agree with you on this," they say. "Do it quickly."

Mr. ROBINSON of Arkansas. "But don't put any tax on me."

Mr. FESS. Yes. My mail is filled with letters stating, "Don't reduce the appropriation on this particular item," or "Don't put a tax on this item." The letters are about 50-50 to that effect. That indicates that while there is a desire on the part of the country to have the Budget balanced, the people have no conception of our problems. They are not in sympathy with what is our plain duty. The only thing I can see for us to do is to go ahead as we have been going, and do the best we can for the country at large.

Mr. COPELAND. Mr. President, the Senator from Ohio is entirely right. I want to refer to one flood of letters which came to my desk last week. They all came from Yonkers, N. Y., the envelopes were all typewritten on the same machine, and the letter itself was a stereotyped letter, each letter being signed by an employee of that particular concern. There were about 1,200 of the letters, all demanding the balancing of the Budget. They made, too, certain suggestions which would seem to me to be a strong intimation that a sales tax would permit that particular concern to be released from the burdens of an increased corporation tax or any other "legislation that will overtax the corporations." Following up those letters came personal letters from various of those employees disclaiming any voluntary act on their part in the signing of the letters.

Of course, Mr. President, we are more or less influenced, and doubtless properly so, by letters which come to us. But when a Senator is working night and day, as every Senator here is, to accomplish the very purposes suggested by our correspondents, it is an unnecessary tax upon our patience and upon our time to be flooded with such letters.

I want to say, for the benefit of my constituents, that I can see no indication on the part of any man in this body, whether he is of my party or of the other party, of a desire to delay action. I venture to predict that before many days have rolled around, we shall have accomplished all that the country has in mind, and the Senate will have adjourned, whether we are or are not loaded down with letters from responsible or irresponsible persons who are seeking to have us do the things which we are going to do anyhow.

Mr. SMITH. Mr. President, will the Senator yield to me?

Mr. COPELAND. I yield.

Mr. SMITH. The Senator from Ohio and the Senator from New York have called attention to the propaganda that has gone abroad that we must balance the Budget. I think it would be rather interesting if Senators would take the time to examine the list of proposed excise taxes and take the letters which come to them urging that they balance the Budget, and the letters which come voicing opposition to the imposition of a tax on the article in which they are interested. I think it will be found that if the requests which come should be acceded to and the taxes complained of eliminated, we would get no revenue from the bill, even if we should pass the bill.

It is said that Josh Billings once remarked that he had lived 40 years before he found a good place for a boil. When asked what he considered a good place for a boil, he said, "On the other fellow's neck." These folks who write to us are perfectly willing to have the Budget balanced,

"but do not balance it at the expense of the particular thing in which I am interested."

I think I shall take the time to make a list of the taxes opposed by the various parties interested in the excise taxes, and have the list incorporated in the Record, so it may be seen that if we should accede to the requests of these gentlemen who pretend to be interested in the balancing of the Budget, and should subtract from the proposed plans the articles which they ask to have taken out, we would have no bill.

Mr. VANDENBERG. Mr. President, I think there is another misconception taking possession of the public mind and portions of the press at this time which, before this particular discussion ends, might well be the subject of comment.

So much has been said in the press and elsewhere about the special so-called economy bill which is now in Senate committee that apparently thousands of our people have come to the conclusion that the only economy which is contemplated in respect to the annual expenditures by this Congress is encompassed within this one economy bill, which deals mainly with problems of consolidation and personnel. When the House reduced the proposed \$200,000,000 economy bill to \$40,000,000 or \$50,000,000, the country immediately leaped into a rage because it came to the conclusion that \$40,000,000 or \$50,000,000 is the limit of congressional economy which is contemplated.

I think it is very much worth while in connection with the discussion to remind the country that this so-called economy bill is but one of many among these economy factors and objectives. We started in with a \$350,000,000 economy through the Bureau of the Budget. We have already had \$150,000,000 in economies by the action of the House in respect to these appropriation bills. This makes a total of \$500,000,000. In addition to this tremendous total there will come whatever economy ultimately results from the Senate's additional 10 per cent reduction program. In addition to that will be whatever economies are available as a result of the legislation which will come from the recommendations of the Economy Committee.

Mr. BARKLEY. Mr. President—

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Kentucky?

Mr. VANDENBERG. I yield.

Mr. BARKLEY. Purely as a matter of information, I should like to inquire of the Senator with reference to the \$350,000,000 to which he refers first. We have seen a great deal in the press about the \$350,000,000 reduction made in the Budget estimate. How does the Budget estimate, from which it is said \$350,000,000 was taken, compare with the aggregate appropriations for last year, so we may ascertain whether the Budget reductions were below the actual expenses of last year, which ought to be the real criterion. If the departments boosted their estimates in order to make a showing of having the Budget reduced, it does not mean much; but if they reduced them below last year's actual expenses, it may amount to something.

Mr. VANDENBERG. I am proceeding on the theory that the reductions to which I refer are below last year's expenditures. I do not have the figures at hand.

Mr. BARKLEY. The \$350,000,000 to which the Senator refers was a so-called reduction below what the departments requested. I do not know how the request compared with what they actually got last year. In order to find out whether there has been \$350,000,000 reduction it will be necessary to know that fact.

Mr. VANDENBERG. I think the Senator is mistaken in his mathematics.

Mr. JONES. Mr. President—

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Washington?

Mr. VANDENBERG. Certainly.

Mr. JONES. My recollection is that the current appropriations for this fiscal year amount to over \$5,000,000,000. The estimate by the departments amounted to something like \$4,000,000,000 for this year. The Budget reduced those

estimates by something over \$300,000,000. My understanding is that before the estimate was sent down the President made a 5 per cent reduction in that amount.

Mr. BARKLEY. The Senator says the actual appropriations for the current year were about \$5,000,000,000. That is true as to appropriations made by this session of Congress which are allocated to the fiscal year 1932. Subsequently we appropriated \$500,000,000 for the Reconstruction Finance Corporation, \$125,000,000 for the Farm Loan Board, and other emergency appropriations which do not figure in the ordinary current expenses of the Government, so that in making up the \$5,000,000,000 in order to show \$1,000,000,000 reduction on the part of the Budget, which ranged something like \$4,000,000,000 for this year, the Senator must, of course, exclude extraordinary appropriations which have been asked for by the President for this year, which make up that amount for the current year.

Mr. JONES. It was over \$5,100,000,000, and then the deficiency appropriations were something over \$200,000,000, which would make about \$5,300,000,000.

Mr. BARKLEY. But it is true that these extraordinary appropriations have been allocated to the fiscal year 1932.

Mr. JONES. Yes.

Mr. BARKLEY. So it is not a true picture of the actual reductions on the part of the Budget.

Mr. JONES. My recollection is that the Budget estimate is about \$300,000,000 or \$400,000,000 below the ordinary and usual expenditures of the Government for the last year or two. Then the House decreased the amount from that quite a good deal, so there is a very substantial reduction in what we might call the ordinary and usual expenditures of the Government and demands of the Government.

Mr. BARKLEY. Assuming that \$350,000,000 was a reduction below the estimates of the members of the Cabinet—because that is what it really is—according to our program here, we will lop off another 10 per cent below the figures of the House if that program is carried through the entire list of appropriation bills. That would amount to something like \$350,000,000 or \$400,000,000, would it not?

Mr. JONES. I think about \$250,000,000 or \$300,000,000.

Mr. BARKLEY. I mean if all the appropriations are reduced 10 per cent, according to the instructions of the Senate when it sent the various appropriation bills back to the Appropriations Committee. If that plan is carried through and the average is \$4,000,000,000, it will take off nearly \$400,000,000.

Mr. JONES. It is going to take off a very considerable sum if that plan is followed through.

Mr. BARKLEY. I, too, am in favor of following it through.

Mr. JONES. We are confronted with the proposition of cutting 10 per cent from \$1,000,000,000 provided for the soldiers. I do not believe there will be many Senators who will stand for that reduction.

Mr. VANDENBERG. Mr. President, I did not want to precipitate any discussion by way of detailed analysis because time is too precious. I am simply undertaking to correct what obviously is a misconception in the mind of the country respecting the extent and degree to which economy is being pursued at Washington.

The best possible demonstration of the fact that the country is erroneously measuring the situation is the Interior Department appropriation bill, which is the one bill that Congress has concluded and the President has signed. What are the facts at that point? There was \$69,000,000 appropriated last year, \$56,000,000 recommended by the Budget, \$50,000,000 appropriated by the House, and \$45,000,000 appropriated by the Senate, a net saving of about 35 per cent over the actual expenditures of last year without any reference whatever to the so-called economy bill, which is yet to be considered by the Senate.

The thing I am trying to say is that the country need not be discouraged about the congressional attitude toward economy, because there is a perfectly obvious intent and purpose upon both sides of the aisle and at both ends of the Capitol to save money so far as it is humanly possible. The

Senate will be found particularly dependable in these aspects and objectives, as its record already warrants.

Mr. BARKLEY. Mr. President—

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Kentucky?

Mr. VANDENBERG. I yield.

Mr. BARKLEY. Purely as a matter of information, does the Senator believe that the Interior Department appropriation bill is a fair sample of what may happen with reference to all appropriation bills? Does he think we will make a similar reduction in the rest of them?

Mr. VANDENBERG. I do not think the total saving in the Interior Department bill can be carried through all the bills, but I do think it is a typical reflection of the purposes of Congress in respect to economy.

Mr. THOMAS of Oklahoma. Mr. President—

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Oklahoma?

Mr. VANDENBERG. Certainly.

Mr. THOMAS of Oklahoma. I desire to get the opinion of the Senator as to how much he estimates now can be saved in the way of possible elimination or reduction in expenses for the next fiscal year over the present year? That is what the country is interested to know.

Mr. VANDENBERG. Does the Senator mean in respect of possible total economy?

Mr. THOMAS of Oklahoma. Yes.

Mr. VANDENBERG. I shall be very much disappointed if the total reduction is not three-quarters of a billion dollars.

Mr. THOMAS of Oklahoma. That is the information I desired.

Mr. BARKLEY. Mr. President, in that connection does the Senator mean below the \$5,000,000,000 referred to a moment ago by the Senator from Washington [Mr. JONES] or below the ordinary expenses of the Government?

Mr. VANDENBERG. I mean below the actual expenditures of the Government during the present fiscal year.

Mr. BARKLEY. That expenditure will be over \$5,000,000,000, so the three-quarters of a billion referred to by the Senator as the possible reduction still leaves \$4,250,000,000 as appropriations for the fiscal year 1933. Does the Senator mean we are compelled, in spite of all our efforts to economize, to appropriate \$4,250,000,000 for Government expenses for the next fiscal year?

Mr. VANDENBERG. I think if it is humanly possible for economy to be carried lower, Congress will carry it just as low as it can possibly go. I conceive this objective to be a paramount challenge. I continue to give it unqualified support. It seems to me that the Senate as a whole is similarly committed. The country should take courage from these realities instead of discouragement from an unwarranted belief that no serious or formidable reductions are being made in the Federal expenditures.

Mr. President, I ask unanimous consent to have printed in the RECORD a comparative table showing the operating appropriations of the various departments for the fiscal year ending June 30, 1932, and the Budget estimates for the same departments for the fiscal year ending June 30, 1933, with a net decrease of \$459,000,000.

Inasmuch as these tables show only the operating expenditures they do not include the debt service, which necessarily has had to increase in proportion as the debt itself has increased; and it is the increase in the debt service which finally brings this \$459,000,000 back to approximately the net \$350,000,000 in Budget saving to which I have adverted.

There being no objection, the table referred to was ordered to be printed in the RECORD, as follows:

Expense of major departments, commissions, etc.

	Operating appropriations for 1932	Budget estimates for 1933	Amount of decrease
Department of Agriculture.....	\$333,500,000	\$215,724,000	\$117,776,000
Agricultural marketing fund net (Farm Board).....	155,000,000	15,000,000	140,000,000
Post Office deficit.....	195,000,000	155,000,000	40,000,000
Treasury Department.....	812,900,000	279,567,000	533,333,000

Expenses of major departments, commissions, etc.—Continued

	Operating appropriations for 1932	Budget estimates for 1933	Amount of decrease
War Department.....	483,700,000	430,038,000	53,662,000
Navy Department.....	378,900,000	375,341,000	3,559,000
Shipping Board.....	60,800,000	21,800,000	39,000,000
Department of Justice.....	53,800,000	53,441,000	359,000
Department of Commerce.....	54,700,000	48,343,000	6,357,000
Other independent offices and commissions.....	57,600,000	52,003,000	5,597,000
Legislative establishment.....	32,400,000	23,244,000	9,156,000
Department of Labor.....	14,100,000	14,509,000	409,000
Adjusted-service certificate fund.....	200,000,000	150,000,000	50,000,000
Veterans' Administration.....	784,400,000	830,210,000	45,810,000
Interior Department.....	78,300,000	71,849,000	6,451,000
Total.....	3,195,100,000	2,736,069,000	459,031,000

¹ Increase.

Mr. LOGAN. Mr. President, to supplement by a word what has been so well stated by the Senator from Michigan [Mr. VANDENBERG], I am very glad that the situation, so far as the business people down in Kentucky are concerned, is a little different from that which Senators report from other States. We have received a number of letters from business people down there, and while they want the Budget balanced and insist upon it, they also are in favor of imposing a tax. The only suggestion I have had in the main from the business people is with reference to the correction or removal of discrimination. I have had very few complaints from business men in Kentucky about the tax bill which we are now considering.

But there has gone out over the country an impression which has aroused the people more than anything I have known in many years, and that is that the entire economies which were contemplated by Congress are embraced in the so-called House economy bill. It has passed into the minds of the people that that is all we are trying to do. When the House failed, as people think, to do what it was thought it should do, then the people began to write to us that we were not doing anything about reducing Government expenses. It was not an unreasonable mistake. That bill was talked about through all the newspapers. It proposed to cut salaries and from one end of the country to the other the facts about that bill were pretty well known. But the people have not given consideration to what has been done by the House and the Senate and the Director of the Budget in making very great reductions in the appropriations for carrying on the business of the Government.

I agree with the Senator from Michigan [Mr. VANDENBERG] that the total reduction will probably reach three-quarters of a billion dollars. I think it has reached more than \$500,000,000 now, taking into consideration all that has been done and comparing it with the same items for last year. There will be some new appropriations and some new expenses, but item by item there has been very much reduction, and that independent of the so-called economy bill which the people generally have in mind.

I do hope that it will be made known to the public generally that the Congress is doing the best it can to reduce expenses and that its entire program is not included in the economy bill; in fact, a very small part of the economy program is included in that bill.

REVENUE AND TAXATION

The Senate resumed the consideration of the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes.

Mr. NYE. Mr. President, in connection with all the discussion that is taking place in the press and elsewhere today in connection with balancing the Budget, one can not refrain from pointing out that during the last 10 years there have been many propositions as to the result that was awaiting the Government, the result that was awaiting business generally in the country, if there was continued the washing away of the equities and the surpluses of a very large element of the population of America. I have heard in this Chamber during the last five or six years, and have read in the RECORD of preceding years, many warnings

that if the needs of agriculture were not provided for every business in the land and the Government itself would ultimately pay the penalty by reason of it.

Living upon the farms of America is one-third of our population, approximately 30,000,000 of people. Residing in the smaller agricultural communities and business centers is another part of our population measuring nearly another third. During the past 10 or 12 years the earnings of those farm people have been whittled away a little more and a little more each and every year until finally equities and surpluses of the farm people have all but vanished, and with their disappearance there has resulted the depletion of stocks on the shelves of the merchants in the smaller towns, a depletion that is not being replenished in any degree whatever; so that the merchant now, along with the farmer, has lost his buying power.

Sixty million people are in straits that prevent them buying the things which they want, the things they need; and yet here in Congress, instead of facing facts and restoring the power that was in the hands of 60,000,000 of people, we have gone forward, and every move, I dare say, that we have made, has been a move in the interest not of those who have been oppressed but in the interest of those who have done the oppressing ever since the Great War. Even now, in this tariff controversy and in the consideration of the pending tax measure, we find at every turn of the road the interests of the selfish ones, the greedy ones, seemingly getting the first ear while the interests of the many go unanswered.

Mr. President, there has been introduced an amendment to the pending tax bill by the senior Senator from Nebraska [Mr. NORRIS] which proposes to make the debenture plan available as a means of restoring in a measure the buying power of the American farmer. I mean most assuredly to give that amendment my whole-hearted support.

Another measure of great interest, which I expect may be attached to this tax bill also as an amendment, and with cause, is the one known as the Frazier bill, submitted by my colleague the Senator from North Dakota [Mr. FRAZIER], which has been reported to the Senate by the Senate Committee on Agriculture and Forestry and is now on the calendar.

Another bill has been reported to the Senate by the Committee on Agriculture and Forestry which I feel would meet the present emergency in no uncertain form, and if combined with the Frazier bill would afford agriculture relief so complete and so rapid that I am sure we would all more than marvel at the results.

The newer proposal of which I speak is the plan upon which the heads of the three national farm organizations have agreed. The plan has been introduced in the form of a bill by the Senator from Oregon [Mr. McNARY]. That bill, I understand, has been ordered to be reported to the Senate to-day or will be reported to the Senate very soon. There is not a chance in the world, as I see things stacking up here now, for that bill to receive any consideration by this Congress unless it be attached to the pending tax bill; and, in view of the records that has been made during the past few days of making the tax bill a tariff measure, there can be no objection to the offering of these various agricultural proposals which, after all, as framed, aim merely at accomplishing an effective tariff for the American farmer. The so-called McNary bill is the embodiment of several plans that have been proposed to meet the needs of American agriculture. The McNary plan, which has the concurrence of the heads of all the national farm organizations, would make available to the Farm Board, or to such other agency as would administer it, any one or all of three plans in the effort to afford the farmer cost of production for his commodities and to make the tariffs on agricultural products available and effective.

One plan which would be made available is the equalization fee. Another is the debenture feature, which has been discussed time and time again in this body and in the House of Representatives. Still a third proposal which would be made available to the Farm Board in its effort to yield pro-

duction cost to the farmer is an outright price-fixing measure, an outright price-fixing proposal which would make available for the farmers for that part of their product which is consumed here at home cost of production plus a reasonable profit.

I repeat that this bill, which would go far to accomplish worth-while results for agriculture, has little chance of receiving consideration at the hands of the present Congress unless it be attached to and made a part of the pending tax bill. It has a right to be attached to that bill, in view of the fact that we have written tariff proposals into the bill, and because it is the only chance which that bill seemingly has of being enacted into law. I intend to propose the amendment to the pending tax bill, which I send to the desk. The amendment is nothing more than the McNary bill, which has been authorized to be reported from the Committee on Agriculture and Forestry.

The PRESIDENT pro tempore. The amendment will be received, printed, and lie on the table.

Mr. NYE. Mr. President, at this time we are concerning ourselves with tariffs without much regard for the matter of revenue with which we ought to be dealing in considering a tax bill. The first tariff proposal was that which would fix a duty on imported oil. I opposed that duty not because I did not realize the sore and depressing situation confronting the independent oil producers of the country but because I thought I foresaw that to accept a duty on oil would be to accept the duty on lumber and on copper and on coal and perhaps on other items. So I opposed the oil proposal, because I thought that the best interests of the country would be served if we were to refrain from attaching any tariff items whatsoever to the tax bill. The Senate, however, voted the duty on oil into the bill.

We were then confronted with a proposal for a duty on coal. To this proposal I gave my support, not because I thought the situation was altogether deserving of such action but because I did want to keep myself in a position when moving agricultural tariffs in connection with this bill to point to the fact that I had not been and was not then altogether opposed to further protection for those industries which were in need. I gave it my support on that ground alone. Yet I want to give notice now that in the event there is a move made to reconsider the votes by which tariffs were written into the bill, in the case of oil and coal, I shall most assuredly vote in support of the removal of those items.

Now we are confronted, however, with the very situation which was assured when the Senate voted for a duty on oil; we are confronted now with a proposal to write a high protection for the importations of lumber into America. We are faced with that duty; we are faced with an increase in the tariff on lumber.

The only excuse offered, Mr. President, for this tariff is the temporary depression existing in the lumber industry. What is the cause of the depression which confronts that industry? It is nothing other than the thing which is responsible for the depression of every other industry in the land—a lack of buying power, not a lack of confidence on the part of Americans in the future, but an utter lack of ability to go into the marketing places and buy the things which they should like to have and, in many instances, the things which they desperately need. The producers of lumber are up against only what every other industry in the land is up against, and no tariff, I care not how high it may be, in a time such as this and in a situation such as that now confronting us is going to save or is going materially to help the lumber industry. The depression from which it suffers is nothing other than the result of the depression of every other industry in the country, and more notably the agricultural industry.

The American farmer, Mr. President, directly and indirectly, consumes 46 per cent of the lumber produced and sold in America. Without the power on the part of the agriculturists to buy lumber the result is inevitable—depression in the lumber industry. The farmers of the United

States are feeling the depression, however, far worse and far more severely than is any other industry in the land. Just to show how completely the buying power of the farmer has vanished, let me say that the American grain farmer received only 50 per cent as much for the products which he sold in September, 1931, as he would have received for the same products 20 years ago, between 1909 and 1914. The figures are in accordance with the statistics published by the National Timber Conservation Board. At the same time, in September, 1931, the farmer was forced to pay 27 per cent more for the things he bought than he would have had to pay for those same things 20 years previously. In other words, the purchasing power of the grain farmer of America in September, 1931, in terms of commodities produced, was only 39 per cent of what it was 20 years ago. It is no wonder, then, Mr. President, that as the buyers of almost half of the lumber consumed in the United States they have had materially to curtail their purchases of lumber. When the farmer's purchasing power has been reduced, industries dependent upon him for their market must, of necessity, suffer in consequence.

While this is the general picture, the situation in my State is considerably worse. The cash income, for example, of the North Dakota farmer for the year 1931-32 was only 40 per cent of his average cash income for the last five years. It can not and must not be maintained that the last five years have afforded a fair average of income for the farmer, for his income for the last five years has been extremely low. His purchasing power, other than for the absolute essentials of life, is almost, if not completely, a minus quantity. He has no money with which to buy lumber or anything else. The cure for the depressed condition of the lumber industry is the restoration of the purchasing power of the consumers of lumber. Give the farmer an opportunity to buy and the lumber industry will be automatically revived. Increase the price of lumber by the imposition of tariff duties and it will be impossible for the farmer to buy, and the industry will not be benefited one iota.

One of the Representatives in Congress from the State of Washington, seeking a tariff on lumber, a little more than a week ago said that he felt the tariff would do very little, if anything, to remedy the condition of the lumber industry.

After the passage of the tariff act of 1930, in which a duty of \$1 per thousand feet was imposed upon lumber, the Senate called upon the Tariff Commission, through Senate resolutions 313 and 321, to make a thorough investigation of the foreign and domestic cost of producing lumber.

In response to these resolutions the Tariff Commission made such an investigation. The investigation by the commission was very exhaustive, lasting some 16 months, and costing some \$27,000. Last November 9, 1931, the Tariff Commission issued a report on its findings. They recommended to the President that the duty on lumber should not be changed. The report concludes in these words:

The commission finds that the facts with regard to the difference in costs of production, including transportation to the principal markets in the United States, of the domestic article and the like or similar foreign article produced in the principal competing country, as disclosed by the investigation herein reported, covering the year 1929, do not warrant a change in the duty of \$1 per thousand feet board measure, expressly fixed by statute on timber hewn, sided, or squared, otherwise than by sawing, and round timber used for spars or in building wharves; sawed lumber and timber not specially provided for; all the foregoing, if of fir, spruce, pine, hemlock, or larch.

The President of the United States approved this report on December 2, 1931, only five months ago. Therefore, we can only include that upon the basis of actual conditions there is no justification at this time for any change in the duty on lumber.

The contention that depreciation of Canadian currency has given Canadian lumber manufacturers a cost advantage can not be properly considered here, in view of the fact that the full information on this subject is now being obtained by the House Ways and Means Committee. The

whole question is being made a matter of separate legislation.

Without going into the costs of production and transportation in detail, it may be pointed out that the commission found that the existing duty was from 20 cents to 57 cents more than sufficient to equalize the domestic and Canadian cost of producing Douglas fir lumber, the principal species on which tariff arguments have heretofore been chiefly based. In this connection, I ask to have incorporated in the Record and made a part of my remarks a table revealing the facts and figures with relation to the Tariff Commission's report to the President.

The PRESIDING OFFICER (Mr. ROBINSON of Indiana in the chair). Without objection, it is so ordered.

The table is as follows:

Foreign and domestic cost of producing lumber

[Tariff Commission report to President Hoover, Nov. 9, 1931]

	Cost delivered at New York			Cost delivered at Chicago		
	At mill	Transportation	Total	At mill	Transportation	Total
Douglas fir:						
Domestic costs.....	\$22.96	\$10.45	\$33.41	\$22.96	\$17.28	\$40.24
Canadian costs.....	22.50	10.11	32.61	22.50	17.31	39.81
Excess of domestic costs.....			.80			.43
Northern pine:						
Domestic costs.....	37.09	9.25	47.24	37.61	3.63	41.24
Canadian costs.....	37.35	7.78	45.13	37.35	6.55	43.90
Excess of domestic costs.....			2.11			2.66
Eastern spruce:						
Domestic costs.....	33.82	7.51	41.33	33.82	10.29	44.11
Canadian costs.....	32.24	7.98	40.22	32.24	10.60	42.84
Excess of domestic costs.....			1.11			1.27

¹ Excess of Canadian over domestic costs.

NOTE.—Existing duty of \$1 per thousand board feet should be subtracted from "excess of domestic costs."

Mr. STEIWER. Mr. President, will the Senator yield at that point?

Mr. NYE. I am glad to yield.

Mr. STEIWER. Does the table disclose that the figures employed in the report are made upon the basis of business for the year 1929?

Mr. NYE. Mr. President, the table which I have asked to have included is known as table No. 21 appearing with the report made by the Tariff Commission to the President. It reveals the cost of lumber delivered at New York and at Chicago, showing the mill price and the transportation cost and the total cost.

Mr. STEIWER. But does it disclose that it was made for the year 1929?

Mr. NYE. I am quite unprepared to answer definitely the Senator's question; but I assume that the report that was made in 1930, as of the situation existing in the lumber industry at the time the commission's investigation was being made, would cover 1929 as the last year for which available facts would be known.

Mr. STEIWER. I think that is correct. I am glad to have the Senator make that statement, because otherwise it might be assumed that the report of the Tariff Commission was made upon facts and conditions current at this time.

Mr. NYE. No; it could not have been that, of course, Mr. President, because the report was received and acted upon by the President five or six months ago.

The commission would have been justified in decreasing the duty. Certainly there was not and is not now any case for an increase.

If the Senate is not willing to accept the conclusions of the Tariff Commission on these matters, why should we continue to have a Tariff Commission? Senators asking for a tariff on oil predicated their plea for such a tariff on the findings of the United States Tariff Commission as to the foreign and domestic costs of production of oil. In its investigation on this subject, the Tariff Commission found that foreign oil producers had a material cost advantage; and

many Senators followed the conclusions of the Tariff Commission in this matter. Will the same Senators now follow the conclusions of the Tariff Commission with respect to lumber?

There are many reasons, in addition to the findings of the Tariff Commission, why there should be no duty on lumber. We export twice as much lumber as we import. If we drive Canadian lumber out of the American market, there can be no question that this Canadian lumber will offer sterner competition in foreign markets. This would be particularly disastrous at this time, when the United States is so sadly dependent upon every possible outlet to foreign markets.

In connection with any discussion of the forest situation existing in the United States at this time, the special report of the Timber Conservation Board is deserving of consideration. I ask that the board's table revealing the situation as to production, imports, and exports for the years starting with 1923 and ending with 1929 may be made a part of the Record at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

THE FOREST SITUATION IN THE UNITED STATES

United States lumber production, imports and exports, 1923-1929

	Total production	Exports	Imports
	Board feet	Board feet	Board feet
1923.....	41,000,000,000	2,472,352,000	1,998,327,000
1924.....	39,500,000,000	2,712,501,000	1,766,068,000
1925.....	41,000,000,000	2,648,023,000	1,875,101,000
1926.....	39,750,000,000	2,870,145,000	1,632,862,000
1927.....	37,250,000,000	3,181,590,000	1,781,116,000
1928.....	36,750,000,000	3,382,281,000	1,463,448,000
1929.....	36,886,032,000	3,364,470,000	1,570,082,000

From a special report to the Timber Conservation Board, as prepared by the U. S. Department of Agriculture, Jan. 30, 1932.

Mr. NYE. In addition, I have before me three tables, one showing the percentage of cargo shipments of lumber entering the domestic market coming from western Canada, the second indicating the percentage of lumber shipped to foreign markets from western Canada, and the third showing the percentage shipped to all markets from western Canada. I may state for the sake of the record that these tables are taken from the Pacific Lumber Inspection Bureau statistics, and I ask that they may be made a part of the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

The tables are as follows:

Water-borne shipments of lumber from the Pacific Northwest to all "domestic" markets

[In thousand board feet]

	Total, shipments from Washington, Oregon, and British Columbia	Shipments from Canada (British Columbia)	British Columbia percentage of total shipments from Pacific Northwest
1929.....	3,523,621	402,021	11.41
1930.....	2,899,006	332,289	11.46
1931.....	2,341,645	207,586	8.66

Source: West Coast Lumberman, April, 1932, p. 62.

Water-borne shipments of lumber from the Pacific Northwest to foreign markets

[As reported by Pacific Lumber Inspection Bureau circulars 538, 553, and 583]

Year	Total	British Columbia	British Columbia per cent of total
1929.....	2,012,563	399,498	19.8
1930.....	1,491,195	380,011	25.5
1931.....	1,274,966	358,543	28.1

Water-borne shipments of lumber from the Pacific Northwest to all markets

[In thousand board feet]

Year	Total shipments, Washington, Oregon, and British Columbia	Shipments from British Columbia	British Columbia percentage of total shipments from Pacific Northwest
1929	5,536,185	801,518	14.48
1930	4,390,201	712,300	16.23
1931	3,616,611	566,129	15.65

Source: West Coast Lumberman, April, 1932, p. 64.

Mr. NYE. These tables show that as the western Canadian water-borne shipments to the United States were partially excluded from the domestic markets by the tariff imposed in 1930, water-borne shipments from western Canada to foreign markets increased in almost exactly the same proportion, and the proportion of net water-borne shipments to all markets from western Canada remained unchanged. Western Canada in 1929 furnished 11½ per cent of the total water-borne shipments from the Pacific coast to domestic markets. In 1931, the first full year after the imposition of the tariff, western Canada shipped only 9 per cent of the lumber entering the same markets. (Water-borne shipments, Pacific Lumber Inspection Bureau figures.) The proportion of western Canada shipments to foreign markets in the same period increased from 20 per cent to 28 per cent. But the total shipments to all markets from western Canada were 14½ per cent of the total in 1929 and 15½ per cent of the total in 1931. There is no profit to the domestic lumber industry in shutting Canadian lumber out of the domestic market and losing the valuable export markets which take the better grades of lumber selling at higher prices.

The fact that domestic lumber manufacturers on the Pacific coast have been able to compete with Canadian west coast lumber manufacturers in every market in the world tells the story of comparative production cost. The production of lumber in Washington and Oregon is four times as large as the production in western Canada; yet Washington and Oregon manufacturers have always been able to sell more than six times as much lumber as western Canadian manufacturers in foreign or domestic markets. If, as has been alleged, the Canadian manufacturer has cost advantages, he could and would have enjoyed a larger share of the market than one-sixth when his production is one-fourth as great. In many markets the Canadian shipper is practically excluded. This is particularly true of Continental European markets, to which Washington and Oregon last year shipped fifty times as much as British Columbia, and South America, to which Washington and Oregon last year shipped thirty-four times as much as British Columbia. In the Hawaiian and Philippine Islands Washington and Oregon enjoyed an exclusive market. British Columbia was not able to ship a single board into these markets.

Let us take a look at the amounts of lumber Washington and Oregon actually shipped to these markets in which Canadian shippers had so small a part.

	Board feet
To Europe:	
Washington and Oregon shipped in 1931	73,049,000
British Columbia shipped	1,534,000
To South America:	
Washington and Oregon shipped in 1931	45,607,000
British Columbia shipped	1,354,000
To the Philippine Islands:	
Washington and Oregon shipped in 1931	2,121,000
British Columbia shipped	None.
To Hawaii:	
Washington and Oregon shipped in 1931	56,096,000
British Columbia shipped	None.
To Australia:	
Washington and Oregon shipped in 1931	26,724,000
British Columbia shipped	50,803,000

The entire Australian market, about which so much has been said in the matter of preferential tariff rates, took almost exactly the same amount of lumber as Continental European markets. Washington and Oregon, in spite of

preferential tariffs, were able to ship to Australia seventeen times as much actual lumber as Canada was able to ship to Europe. If western Canada lumber manufacturers have all the advantages alleged in the matter of cost of production and transportation, it seems to me they would not be excluded from these markets.

One of the arguments advanced as a reason for a tariff on Canadian lumber is the preferential tariff agreements between Canada and Australia and the United Kingdom, which it is alleged shut the domestic exporter out of the Australian and English markets.

These preferential agreements were made subsequent to the enactment of our tariff act in 1930, which to a material extent shut Canadian lumber out of our Atlantic-coast markets. The Canadian lumber that was displaced from the American market went to the Australian market. Positive evidence of this is found in the fact that British Columbia's share of waterborne shipments to the American domestic markets declined from 11½ per cent in 1929 and 1930 to 9 per cent in 1931, while at the same time British Columbia's share in the shipments to all markets, foreign and domestic, remained practically stationary, dropping only from slightly over 16 per cent to slightly under 16 per cent.

The United States has driven Canada to seek trade preferences in foreign markets; and if this proposed additional tariff on lumber is enacted, we will find Canada seeking further preferential agreements. The expansion of Canadian lumber exports in the foreign markets will have the twofold effect of displacing an equal amount of American lumber in those markets and of diverting a portion of Canadian purchases, now made in the United States, to the nations to which Canada is able to export its surplus commodities.

Canada is not alone in having preferential tariff rates on its lumber in foreign markets. The United States has very decided preferential rates in exporting lumber to Germany. The German tariff on rough Douglas fir, pine, and spruce lumber from the United States is 6 reichsmarks per cubic meter, while the duty against similar lumber from Canada is 30 reichsmarks per cubic meter, or five times as much. Cuba charges 60 cents per 100 kilos on lumber, planed or tongued and grooved, from the United States, while Canadian lumber of the same type must pay 75 cents.

I have here a table showing the waterborne shipments of lumber from the Pacific Northwest to all markets. These figures include foreign exports as well as shipments to domestic markets, originating in Washington, Oregon, and British Columbia. The table covers the period of 9 years from 1923 to 1931, inclusive. British Columbia has never obtained more than 16¼ per cent of the total shipments. Washington and Oregon have always retained more than 84 per cent of the trade in all the markets to which Pacific-coast lumber is shipped.

I ask to have this table incorporated in the RECORD as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Water borne shipments of lumber from the Pacific Northwest to all markets

[In thousand board feet]

Year	Total shipments, Washington, Oregon, and British Columbia	Shipments from British Columbia	British Columbia percentage of total shipments from Pacific Northwest
1923	4,275,701	521,707	12.2
1924	4,465,392	506,262	11.34
1925	4,876,180	577,590	11.84
1926	5,560,064	712,743	12.82
1927	5,508,599	740,200	13.29
1928	5,091,084	765,556	13.46
1929	5,536,185	801,518	14.48
1930	4,390,201	712,300	16.23
1931	3,616,611	566,129	15.65

Source: West Coast Lumberman, April, 1931, p. 64.

Mr. NYE. Mr. President, the imports of lumber at which this duty of \$3 per thousand is aimed amount to only 5 per cent of domestic consumption. This relationship between consumption and imports has remained constant in the last several years. If this entire 5 per cent were excluded from American markets, it would mean an increase of 1½ per cent of normal-capacity operation in the lumber industry, even though there were no curtailment in exports.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. NYE. I am glad to yield.

Mr. COPELAND. I assume there are planing mills in the Senator's State?

Mr. NYE. No, Mr. President; there are no planing mills in North Dakota.

Mr. COPELAND. None in the northern part of the State at all?

Mr. NYE. No.

Mr. COPELAND. This is the matter I want to call to the attention of the Senator. The proposed tariff covers rough lumber as well as planed lumber.

Mr. NYE. So I understand.

Mr. COPELAND. It will make a vast difference in the employment of labor in my State if rough lumber can not be brought into New York State free of duty. It will mean that there will be the same rate of duty upon the rough lumber as is levied upon planed lumber. So the proposal means much to our mills, because the rough lumber is brought in from Canada to the planing mills in northern New York, and is there converted into planed and finished lumber. Of course, the tariff of \$3 a thousand on rough lumber would mean a decrease in employment in my State to the extent of thousands of laborers.

Mr. NYE. Mr. President, if the Senator will permit, I should like to ask him what percentage of the entire lumber handled in these planing mills in his State comes from Canada?

Mr. COPELAND. I would say it is a very large percentage, more than half.

Mr. NYE. The greater portion comes from Canada?

Mr. COPELAND. The greater portion; yes. So it would mean a decline in employment, and a material increase in the basic cost of finished lumber.

Mr. NYE. I thank the Senator for his remarks.

COST OF THE PROPOSED LUMBER TARIFF

If the proposed tariff on lumber is effective, it will increase the price of every foot of lumber consumed in the United States. If the tariff is not to be effective, it should not be enacted. This increased price will be more than the amount of the tariff. Through pyramiding, it is estimated that the increase in price will be at least 40 per cent more than the tariff rate. If the additional rate of \$3 per thousand feet contained in the revenue bill is enacted, it will mean that the American farmer, normally consuming 10,000,000,000 feet of lumber annually for construction, will be taxed \$50,000,000 a year by this iniquitous proposal. The farmer can not pay this tax. He will have to continue to forego the much-needed new house or barn. Farm lumber consumption at the present time is down to only 55 per cent of normal, indicating what we all know to be true, namely, that the farmer is not able to earn the sort of income that would enable him to keep in repair such home and barn as he now has. If present conditions continue, or the price of lumber is increased, the farmer's consumption of lumber will fall even lower, with even more disastrous effect on the lumber industry. The real hope of the American lumber industry lies not in the exclusion of the small amount of lumber which we import but lies rather in the restoration of prosperity to America.

DEPLETION

The subject of timber depletion, indicated by charts the senior Senator from Minnesota has offered and has upon the walls of the Senate, is intimately related to the question of a

tariff. Although there is ample testimony showing that there would be no economic justification for a lumber tariff, even if Canadian cost of production were lower, public policy, in the interest of forest conservation, would demand free lumber.

In discussing the proposed lumber tariff in 1930, I made the statement that at the then rate of consumption and loss by fire and insects our present merchantable forest areas would be depleted in approximately 60 years.

Although my statement at that time was based on figures nearly 10 years old, which were part of the so-called Capper report of 1920 (report on S. Res. 311, 1920), and the report of the Senator McNary select committee on reforestation in 1924, in January of 1932, just four months ago, the United States Forest Service gave up-to-date information in a special report to the Timber Conservation Board. That report shows that our supply of saw timber is being cut for lumber and other uses, and being destroyed by fire, disease, insects, drought, and wind at the rate of 59,000,000,000 board feet per year, or at six times the rate of growth of this type of material. Regrowth of this saw timber is taking place at the rate of 9,700,000,000 board feet per year, leaving a net depletion of approximately 49,000,000,000 board feet per year. As the total saw timber remaining in the United States is only 1,663,000,000,000 feet, it can be seen that our total timber supply is sufficient for only 34 years at the present rate of consumption. This is taken from the latest and most complete data available.

In the face of this appalling situation it is here proposed to stimulate the cutting of our small remaining timber supply and hasten the day of total exhaustion of our timber resources.

NORTHERN WHITE PINE

From Canada we import virgin northern white-pine lumber. This is the species which was once so plentiful throughout New England, New York, Pennsylvania, and the States around the Great Lakes. At one time we cut as much as 8,000,000,000 feet of this species of lumber in one year in the United States. The United States now has left a total remaining supply of only 4,000,000,000 feet of virgin timber of this species, according to the report of the Tariff Commission on lumber, page 27.

Estimates by the Forest Service of the stand of white-pine timber
[Figures are broken down to separate Norway pine]

Region	Virgin timber	Second growth
New England.....	2,507,000,000	5,883,000,000
Middle Atlantic.....	4,000,000	3,526,000,000
South Atlantic and Central.....	155,000,000	165,000,000
Lake States.....	1,212,000,000	161,000,000
Total.....	3,878,000,000	9,735,000,000

Source: U. S. Tariff Commission report on lumber, p. 27.

There has been ample evidence presented clearly to prove that this species of lumber is now being used for purposes in which it is indispensable. For example, the navy yard here in Washington uses large quantities of this type of lumber to make foundry patterns for the casting of ordnance parts. They have in storage at the navy yard more than 300,000 patterns made of this virgin northern white pine. For the purpose of pattern making, as for various other purposes, no other species of softwood lumber can be used. The cost of the material for the manufacture of patterns is only a small part of the total cost. Frequently as much as a hundred times the value of the wood used is spent for labor in designing the pattern. After it is completed the pattern must hold its shape. It must not warp, or twist, or check, or swell, or lose its shape, or it becomes valueless. Virgin northern white pine is the only softwood species that fulfills these very exacting requirements. We must have virgin northern white pine, and our domestic forests are no longer able to supply a sufficient quantity in the grades and sizes demanded. It is not a question of importation displacing American

domestic production; it is a question of supplying an indispensable raw material to American industry. A tax upon the importation of virgin northern white pine is a tax upon depressed American industries which can ill afford to bear any further burdens.

The cost of production of this lumber in Canada is no less than the domestic cost. In fact, in determining the cost of production, including transportation to Chicago and surrounding territory, which is the principal market for this type of lumber, the Tariff Commission found that the domestic cost of production was \$2.66 per thousand board feet less than the cost of production in Canada. What possible excuse can there be for ignoring the findings of the Tariff Commission, established for the purpose of taking the tariff out of politics, and imposing a duty upon an essential raw

material, not justified on the basis of cost of production or any other reasonable basis of tariff adjustment?

As the once immense supply of virgin northern white pine became depleted and the prices increased, we were forced to turn to distant fields for lumber for general construction purposes. In Washington and Oregon was found a tremendous supply of Douglas fir, a species ideally suited to such uses. The trees were immense, and the two States were practically covered with a beautiful stand of that timber. As demands for this lumber have increased, production has kept pace, and the forests are being demolished at a rapid rate. I have here a statement prepared by Norman Porteous, a forest engineer of Seattle, Wash., showing the acreage in western Washington which has been logged since 1919.

Acreage in western Washington logged since 1919

County	Acreage logged from—									Remaining privately owned timber-lands Mar. 1, 1931
	Mar. 1, 1919- Mar. 1, 1923	Mar. 1, 1923- Mar. 1, 1924	Mar. 1, 1924- Mar. 1, 1925	Mar. 1, 1925- Mar. 1, 1926	Mar. 1, 1926- Mar. 1, 1927	Mar. 1, 1927- Mar. 1, 1928	Mar. 1, 1928- Mar. 1, 1929	Mar. 1, 1929- Mar. 1, 1930	Mar. 1, 1930- Mar. 1, 1931	
	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>
Whatcom ¹	11,800	6,400	2,240	2,400	4,080	1,280	1,060	1,520	520	72,280
Skagit ¹	27,880	11,840	10,370	7,350	9,360	10,400	7,756	6,440	5,918	131,682
Snohomish ¹	36,080	9,610	8,390	8,880	8,560	6,320	5,460	3,607	2,766	60,887
King.....	40,960	11,360	10,800	10,040	14,040	17,840	13,660	10,800	6,400	145,710
Pierce.....	38,280	11,040	7,720	10,320	11,560	8,760	7,940	6,640	6,664	173,536
Thurston.....	21,720	9,680	7,560	11,800	10,880	11,520	12,860	12,240	5,711	53,029
Lewis.....	41,760	13,360	19,880	13,920	16,360	12,200	14,560	16,080	12,080	286,160
Cowlitz.....	14,000	5,320	7,290	5,080	10,320	8,050	10,034	8,600	6,480	233,156
Clarke.....	10,000	3,180	2,480	1,940	1,660	2,480	1,570	1,420	600	9,670
Wahkiakum.....	16,000	5,400	1,640	1,880	2,475	2,240	3,360	3,560	1,440	28,525
Pacific.....	33,240	11,880	8,360	7,880	8,320	10,720	10,440	9,240	5,040	249,840
Grays Harbor.....	83,880	28,080	29,760	25,400	27,660	25,250	24,880	22,800	13,810	133,440
Mason.....	29,900	10,800	15,920	9,040	14,080	10,080	9,820	9,300	7,530	46,320
Kitsap.....	2,000	3,200	3,480	3,120	4,590	8,920	4,940	5,200	4,030	17,060
Jefferson ²	11,240	2,120	1,640	3,760	3,170	3,800	4,900	3,920	2,980	123,060
Clallam ²	15,040	6,460	4,400	5,770	5,640	12,320	13,760	11,400	9,545	285,535
Western Wash- ington.....	433,780	149,730	141,930	128,580	152,785	152,180	147,000	132,767	91,514	2,149,880

¹ Large percentage of remaining timber is hemlock on rough, mountainous country.

² Large percentage of remaining timber is hemlock.

NOTE.—These figures are an impartial story of the true timber situation in western Washington. The amount of lands timbered, outside of the national forests, was arrived at by taking lands assessed as timberlands and then checking these areas in the field. The Forest Service claims 60,000,000,000 feet for the national forests. This would give eight years additional life to the industry on the present rate of production. However, 60 per cent of the timber in the national forests is pulpwood. The cut-over areas have been compiled from actual logging operations and recapitulations made each year. This is the only authentic compilation in existence and represents a vast amount of detail work each year.

ORTEOUS & Co., Forest Engineers.
By NORMAN ORTEOUS.

SEATTLE, WASH., June 15, 1931.

Every year from 100,000 to 150,000 acres of this wonderful timber are destroyed. There is now left but slightly over 2,000,000 acres of this timber in western Washington, less than enough for 15 years at the present rate of destruction. Yet we are here faced with a proposal to hasten this destruction by placing an embargo upon the small amount of lumber which is imported. Who is to pay for this destruction? As a result of this proposed tariff the American people will, without giving consideration to the pyramiding of the tariff, pay \$4 per thousand board feet more for the lumber they buy. Then when the forests are gone the Congress will be held upon to appropriate immense sums for reforestation. We have already spent large sums for this purpose. It has been estimated that we have spent a total of a billion dollars on reforestation and forest protection.

Now we are faced with a proposal which will hasten depletion of the one remaining large stand of timber in the United States at the expense of the American people and for the doubtful benefit of a few large timber owners who wish to liquidate their investments.

About 40 per cent of our lumber imports is spruce lumber, a species once plentiful in the New England States. As far as spruce-lumber manufacture is concerned, the New England States are no longer a large factor in production. What little timber has not been cut has been segregated to the uses of the pulp and paper industry, for which this species is particularly well adapted.

Spruce lumber is a special-purpose wood, because of its long fiber and its consequent great tensile strength. It is the only wood which can be used in the manufacture of airplanes and in the building of certain types of scaffolding. An example of the special qualifications of spruce for scaffolding is the fact that spruce is considered the only safe

wood in large chemical plants for use in the scaffolding over the chemical vats.

In the manufacture of commercial refrigeration, butter tubs, and other food-container industries spruce is used almost exclusively because of its lack of odor and lack of odor absorption.

In the manufacture of fine musical instruments spruce is the only lumber that can be used to obtain the best resonance qualities.

For these and many other uses spruce lumber is indispensable. It is not a question of substitution of other species of lumber. If the spruce is not available, alternate materials must be used in most cases. The domestic lumber industry will not benefit from the exclusion of importations of this material. The exclusion of spruce will mean diminution in the consumption of lumber in the United States. Our remaining supply of spruce timber is far from being sufficient to supply the demands of the pulp and paper industry. Even for this purpose it is necessary that we import a large share of our consumption. Practically the only spruce manufactured in New England any more is from selected logs cut in the course of pulpwood logging operations. A few logs which are ideally suited to lumber manufacture, and much more valuable for that purpose, are diverted to the sawmill rather than the pulp mill.

The lumber industry of the United States will get no benefit from depriving American consumers of raw materials that they need.

Any tariff on this lumber must necessarily fall directly upon the consumer to the full extent of the tariff, and in addition, will be pyramided in the usual manner of tariffs to probably 40 per cent more than the tariff itself. The proposed rate, when added to the present tariff on lumber, will

mean a cost to the consumer of at least \$5 per thousand board feet, with no benefit to anyone.

I have here a table showing the remaining stand of spruce timber, which I ask to insert at this point without reading.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

Estimates by the United States Forest Service of the stand of spruce timber

[Tariff Commission Report on Lumber, Report 32, November 9, 1931]

Region	Old growth	Second growth
	<i>Board feet</i>	<i>Board feet</i>
New England.....	13, 074, 000, 000	5, 646, 000, 000
Middle Atlantic.....		1, 564, 000, 000
South Atlantic and Central.....	406, 000, 000	
Lake States.....	761, 000, 000	82, 000, 000
Total.....	14, 241, 000, 000	7, 292, 000, 000

Mr. NYE. Mr. President, it seems to me that one of the things with which we need to be most concerned in connection with the proposed duty on lumber is our neighbor to the north, Canada. It has been quite generally overlooked in connection with the lumber tariff that we export some lumber to Canada. If we compare the interchange on the basis of population, we find that each Canadian citizen buys four times as much of American wood and wood products as American citizens buy of Canadian wood and wood products. The United States Tariff Commission in its report on lumber, at page 7, shows that our softwood lumber exports to Canada in 1925 were 51,000,000 board feet, and by 1929 they had increased to 113,446,000 feet, more than twice as much. At the same time our softwood imports from Canada declined from 1,700,000,000 feet in 1925 to 1,000,000,000 feet in 1929. Since 1929 both exports and imports have declined due to the depression, and yet the same ratio will obtain without question.

TRADE WITH CANADA

We exported to Canada in the depressed markets of 1931, \$393,775,829 worth of commodities, as compared to imports from Canada whose value was only \$257,078,170. The balance of trade in our favor was more than \$135,000,000. The United States has had a consistently favorable balance of trade with Canada for many years. In addition to the obvious monetary value of this balance of trade, there is the additional fact that our exports to Canada were largely manufactured products, while our imports were almost entirely raw materials. In other words, the value represented by our exports is comprised largely of labor costs, whereas our imports value represent raw material upon which American labor will be expended in producing finished products.

At this point I should like to have inserted in the RECORD as a part of my remarks a table showing the interchange of trade between the United States and Canada in 1931.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

Interchange of trade between the United States and Canada, 1931

Groups of commodities	Exports to Canada from United States	Imports from Canada
Agricultural and vegetable products.....	\$48, 476, 700	\$12, 210, 232
Animals and animal products.....	17, 026, 618	24, 071, 463
Fibers, textiles and products.....	35, 017, 712	1, 790, 005
Wood and paper.....	28, 385, 125	151, 264, 316
Iron and products.....	97, 126, 666	3, 568, 066
Nonferrous minerals and products.....	30, 914, 645	41, 198, 155
Coal and coal products.....	31, 500, 919	1, 322, 580
Other nonmetallic minerals and products.....	50, 126, 377	7, 993, 589
Chemicals and allied products.....	21, 149, 849	4, 546, 634
Miscellaneous products and commodities.....	34, 051, 218	9, 113, 130
Total.....	393, 775, 829	257, 078, 170

Source: Dominion Bureau of Statistics, Trade of Canada, calendar year 1931.

Mr. NYE. Mr. President, in concluding, I should like to remark that there is perhaps no one issue, aside, of course, from the issue of what we might have done to afford to the

American farmer the cost of production for his products, than that issue which would bring the advantages of the waterways from the ocean to the Great Lakes to the great territory in the great Northwest around the Great Lakes. Yet, from what we are reading and hearing, I venture to assert that Canada might be at a point where she is not willing to accept much more of this. It may appear to them to be something in the form of insult for us to come back year after year and levy more and more against them through our tariffs and our walls that we build up against free interchange in business with that country. I am wondering how seriously we are going to jeopardize the Great Lakes-St. Lawrence waterway project by moving forward at this particular time and proposing an indefensible duty upon this lumber, upon this item that means so much to our neighbors. It occurs to me that if nothing else should move us into opposition to this proposed duty on lumber now, the cause and the necessity of that Great Lakes-St. Lawrence waterway project ought to do it.

AGRICULTURAL RELIEF

Mr. HOWELL. Mr. President, we are considering one of the most drastic tax bills ever imposed upon the people of the United States in peace times. The excuse is the deficit besetting the Treasury, the necessity of balancing the Budget. But we have refused, in taxing those still enjoying great incomes, to impose even the rates of taxation adopted in 1922. As a further example of the general attitude, the Finance Committee has refused to recommend that we specially tax such a highly prosperous activity as the power industry, whose banner years were 1930 and 1931—both ahead of the boom year of 1929.

Yet, Mr. President, the committee did recommend a tax on orders which the farmer draws and cashes when he delivers his cream to the agency transporting it to the creamery—a tax that last month in my State would have amounted to about 13½ per cent of the farmer's profit on his butterfat. It may be said this is a trifling matter. It is not trifling, Mr. President, to a farmer in Nebraska with an investment, for example, in eight cows, which he must feed, care for, milk, separate the cream, and deliver it to some carrier or station for a gross income of \$1.20 per day. That was the record last month, reported by the Dairy Herd Improvement Association of Nebraska.

Let me repeat, the farmer to-day must deliver two wagonloads of his products to purchase that which one wagonload would buy in the 1909-1914 period. What has this Congress done to remedy this situation? Nothing. But what are we doing in the pending tax or revenue bill? Advantage is being taken of the opportunity to load it down with tariff items, not for revenue, not germane in any way, but disadvantageous to the farmer. Something to make him pay more, not less. Already we have provided a tariff on oil which, at least, will afford an excuse for increasing the cost of gasoline. And now it is proposed to do the same for lumber. Both the industries affected have been highly prosperous until recently.

But the farmer, Mr. President? His industry has been in the trough of depression for the past 12 years. Last year the differential against him, so far as equality with other industries was concerned, was 38 per cent—a differential of 38 per cent against him! Surely, as the Bible says, in effect, to him who hath shall be given, but to him who hath not even that which he hath shall be taken away. We seem to have no thought for the farmer. But we have had thought for Europe.

During this session we relieved Europe of paying us \$247,000,000 this year. Of course, if we had not done this, we might have been able to spare the farmer's milk checks in this tax bill. Mr. President, if Europe had shouldered merely the interest burden of her debts to us, we would not necessarily have had a Treasury deficit at this time and, hence, so drastic a tax bill as this one now before us.

Why, Mr. President, since the dates of settlement of these various European debts—about eight years back as an average—we will have paid by next July in interest on an equal amount of our bonds outstanding and properly representing

those debts \$2,369,000,000 more than the total payments made by these debtor nations of every kind and nature. There is the Treasury deficit.

Mr. President, agriculture must be rescued, but by such legislative provisions Congress proposes to increase agriculture's burdens. When are we to act for the benefit of agriculture? Agriculture must be rescued.

REVENUE AND TAXATION

The Senate resumed the consideration of the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes.

Mr. SHIPSTEAD. Mr. President, I want to call the attention of the Senate again to-day, as I did last Friday when debating the tariff on oil, to the fact that in the tax bill where tariff items are injected, the Finance Committee did not bring in any tariff on agricultural products. Again I call attention to the fact that Senators in 1928 voted against tariff items on a tax bill because they said it was improper. Again I call attention to the fact that the press called that effort of injecting a tariff amendment upon a tax bill "a conspiracy," an act that was intended to defeat the tax bill. So we find that a conspiracy in 1928 becomes the doctrine of salvation in 1932, but that doctrine of salvation, however erroneous I may hold it to be, the proponents of that doctrine of salvation have so far refused to spread out freely among all the people. They want what they think is salvation at the expense of all consumers of copper, oil, coal, and lumber.

I wish to say again that if this tax bill is to be made a tariff bill, I shall have to offer amendments so that the great agricultural interests of the United States, which will be taxed for the benefit of the industries now included in the bill, may get a few cents back out of whatever tax is collected through this tax bill from them. I have always felt, so far as agriculture is concerned, that it has always been swindled under the tariff. For every cent the farmer gets out of the tariff I have always thought he paid entirely too much.

Mr. President, I now desire to call attention to the charts on the wall to show the rapid depletion of the supply of lumber in the United States in comparison with the growth of our timber. That great natural resource on which our entire supply of lumber is dependent is fast disappearing. Here [indicating on chart] is shown the growth and the production of timber in the United States and the depletion of our timber supply. The chart shows that our timber supply is decreasing at the rate of 59,000,000,000 board feet a year, while the growth of timber is only at the rate of nine and three-quarters billion feet a year. So the timber supply is disappearing at the rate of approximately 50,000,000,000 board feet a year faster than timber is being grown.

Here on this chart [indicating] we have the production of lumber. It is shown that the production of lumber is now 36,000,000,000 board feet a year. The difference in the production of lumber and the depletion of timber, therefore, can be shown to consist of the articles embraced in the following table, excluding the first item of lumber, amounting to 38,000,000,000 feet.

Saw timber cut yearly from forests of the United States
[In thousands of board feet]

	Total	Softwood	Hardwood
For—			
Lumber.....	38,000,000	30,957,920	7,042,080
Fuelwood.....	7,047,000	4,146,000	2,901,000
Hewed ties.....	2,025,165	835,553	1,189,612
Fence posts.....	1,269,459	654,436	615,021
Pulpwood.....	1,473,629	1,316,815	156,805
Mine timbers (round).....	155,988	43,626	112,362
Veneer logs.....	1,033,708	332,601	701,017
Slack staves.....	487,861	179,780	308,081
Slack heading.....	203,016	129,737	73,279
Slack hoops.....	41,626	—	41,626
Logs and bolts in manufactures.....	677,960	109,443	568,517
Tight staves.....	460,378	224,822	235,556
Tight heading.....	199,372	74,138	125,234
Shingles.....	629,810	629,810	—
Export logs and hewn timbers.....	340,535	320,503	20,032
Poles.....	149,374	131,859	17,515
Distillation wood.....	88,970	11,300	77,670

Saw timber cut yearly from forests of the United States—Continued

	Total	Softwood	Hardwood
Piling.....	141,527	108,497	33,030
Tanning extract wood.....	118,950	—	118,950
Excelsior wood.....	67,125	21,750	45,375
All items.....	54,641,444	40,228,682	14,412,762
Fire losses.....	1,390,233	1,250,948	139,285
Other losses.....	3,192,162	2,775,284	416,878
Total depletion.....	59,133,839	44,254,914	14,878,925

Source: U. S. Forest Service, Special Report to Timber Conservation Board, January, 1932, Tables 15 and 16.

The items listed, excluding lumber, make up the difference of about 20,000,000,000 board feet between the production of lumber and the depletion of the timber supply.

This chart [indicating] also shows the amount of exports and the amount of imports. In round numbers we approximately export about twice as much as we import.

I call the charts and the figures to the attention of the Senate, because they afford a graphic view of a vast disappearing natural resource in timber. So there is something involved in the pending question that has to do with the conservation of this great natural resource. Of course, the lumber industry is in a very bad state, and so, to the best of my knowledge, is every other industry in the United States.

We hear a great deal about the decline in exports of lumber, and, of course, lumber exports have fallen off. We also hear a great deal more about the flooding imports from Canada, but Canadian exports of lumber have kept pace exactly with the exports of lumber from the United States.

Mr. FESS. Mr. President—

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Ohio?

Mr. SHIPSTEAD. I yield.

Mr. FESS. I should like to have the Senator explain the chart. In one case there is shown a depletion of 59,000,000,000 feet and the other a production of 36,000,000,000 feet. Is it estimated that the lumber foot is the same as the tree foot?

Mr. SHIPSTEAD. The charts give the figures in board feet.

Mr. FESS. So that the production would be 36,000,000,000 feet while the depletion would be 59,000,000,000 feet?

Mr. SHIPSTEAD. Was the Senator here when I explained what made up the difference between 36,000,000,000 feet and 59,000,000,000 feet?

Mr. FESS. No.

Mr. SHIPSTEAD. The lumber products are such things as boards, studdings, 6 by 6's, and so forth. The difference between 36,000,000,000 feet of lumber production and the 59,000,000,000 feet of timber cut is made up of fuel wood—I will not again go through all the items, but it includes ties and fence posts, pulpwood, hewn timber, veneer logs, staves, and so forth.

Mr. FESS. That explains what I had in mind. The production of lumber is 36,000,000,000 feet and the depletion of timber is 59,000,000,000 feet. What I wanted was an explanation of this additional depletion above the production. I think I understand it now.

Mr. SHIPSTEAD. Mr. President, certainly no one here in the Senate would have any lack of sympathy for any industry; but, as I have already said, every industry is in trouble.

Mr. President, on November 17, 1931, the Tariff Commission submitted a report on the question of need for an increased tariff on lumber. That report was indorsed by the President of the United States on December 2, 1931. From that report I quote in part:

The commission finds that the facts with regard to the difference in the cost of production, including transportation to the principal markets of the United States, do not warrant a change in the duty of \$1 per thousand feet board measure expressly fixed by statute.

I beg Senators to remember that that report was filed after a careful investigation by the Tariff Commission.

I remember very well the controversy that took place here in the Senate as to whether or not under the flexible tariff provision the Tariff Commission should report its findings for action to Congress or to the President. I have always been in favor of having the Tariff Commission, since such a commission has been created, report to Congress, as I have always thought that the Bureau of the Budget ought to report to Congress. When Congress delegated the authority to the Executive to control the purse, I think Congress delegated a power that it itself should have retained under the authority granted to it by the Constitution. It is true that there is no obligation upon the part of Congress to respect the recommendations of the Budget submitted to us by the Chief Executive, but those recommendations have great influence. For instance, I can imagine that if Congress had had control of the Budget, and if the Budget had reported to Congress instead of the President, the Appropriations Committees of the two Houses would have been working with the Budget Bureau last summer in an effort to provide a Budget that would have taken care of all the items that are now talked about under the guise of economy.

The Budget Bureau being under the control of the Chief Executive, he submits its report in a message to the Congress, in which he says, "Here is the money I need to run the executive department of the Government." This year after the Budget had thus been presented to the Congress we have had the spectacle of the Chief Executive writing messages to Congress asking for reductions; and every message that has come to the Congress on that subject is a declaration to the world that either the Bureau of the Budget or those in control of the Budget did not know what they were doing when they prepared the Budget for the coming fiscal year.

The place to effect economies is in the preparation of the Budget. I am not opposed to inaugurating economies now wherever that can be done, but the businesslike method, the scientific method of bringing about economies is, when various departments and the heads of the departments make their requests to the Budget Bureau, to compel them to justify their requests. That is the time to pare expenditures.

However, the Tariff Commission reported to the President on the question of increasing the tariff on lumber and found that an increase was not justified. I am not going to read the names of the Senators who voted for the flexible tariff provision and also voted to require the reports of the Tariff Commission to be submitted to the President rather than to Congress; I do not care to do that, but I want to remind Senators who stood here and fought day after day to have the Tariff Commission report to the President instead of to Congress that they are now throwing the report of the Tariff Commission and of the President out of the window, ignoring and disregarding the child of their own creation.

Mr. FESS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Ohio?

Mr. SHIPSTEAD. I yield.

Mr. FESS. Upon that point, if the flexible provisions were far-reaching enough so that the President's decision would be final, we would avoid the situation which now confronts us and which I think is wholly inconsistent in that we have before us a tax bill and are now discussing tariffs. That is the result of not having any finality about the action of the Tariff Commission.

Mr. SHIPSTEAD. Does the Senator refer to the injection of tariff items in the tax bill.

Mr. FESS. Yes; I was referring to that.

Mr. SHIPSTEAD. I agree with the Senator, though I am not sure that I absolutely agree that it is improper at any time to inject tariff measures into a tax bill. I have objected and protested against putting tariff measures into this bill principally—whether the purpose is to raise or lower tariff duties—on the ground of the delay in the passage of the tax bill and the danger of keeping Congress in session all summer. Does the Senator think for a moment that the country is going to tolerate or sustain the proposition that

as to four of the large interests of this country, organized to a large extent in monopolistic form, an act of Congress shall make it possible for them to collect additional sums from 120,000,000 people whose income is gradually being dissipated and gradually being reduced? If the country would tolerate it, and if the Congress puts its stamp of approval upon that kind of a measure, I believe these industries would find a grave disappointment in the results, because the business condition of this country, the unemployment of this country, the disappearing purchasing power of this country, certainly are not due to a great influx of products from abroad. Certainly no one can defend an assertion of that kind. We are suffering here from entirely different active economic forces that have come to a climax as a result of a multiplication of policies that we have pursued that have brought us to where we are now. So far as the depression is concerned, I do not believe that these industries will be benefited by these tariffs, because the foundation of the economic life of the Nation is going to pieces. We can not hold it together by tinkering with tariffs.

It has been said that this debate costs the Government of the United States \$2,000,000 a day. I want to lay the responsibility for whatever delay there is here upon the shoulders of those who have been insisting on placing tariff schedules in this tax bill.

I desire to read an editorial from a British Columbia paper—the Canadian Press—showing the possibilities of further retaliation on the part of the Canadian Government against our products if we persist in the policies we have pursued since 1919. I beg you to remember that Canada was our best customer. She bought more goods from us than any other country in the world. Here is an editorial of May 8:

VICTORIA, May 8.—Possibility that British Columbia would seek retaliatory tariff measures if the United States imposed prohibitive duties on coal, copper, and lumber imports was seen here yesterday when Attorney General R. H. Pooley, acting premier, intimated such a program was under consideration.

The proposed tariffs before the United States Congress include a \$3 per thousand feet impost on lumber, and duties on coal and copper which would make export of these commodities from Canada to the United States almost impossible.

If these tariff increases go into effect, Acting Premier Pooley intimated, British Columbia would ask the Dominion Government to impose an export duty on nickel and asbestos—two commodities which the United States must import—and an import duty of \$5 per ton on all coal entering Canada.

We have been exporting about 15,000,000 tons of coal to Canada every year—very much more than Canada sends to us; I think about ten times more than she sends to us.

Mr. KING. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Utah?

Mr. SHIPSTEAD. I do.

Mr. KING. The Senator is a little in error. The imports from Canada have not exceeded 172,000 tons per annum, while our exports to Canada have been from ten to sixteen million tons. A \$5 tariff upon our exports will, of course, close the markets to our coal, and scores of bituminous mines will be shut down, and thousands of American miners will be thrown out of employment. So that because of an import of one hundred and sixty to one hundred and seventy thousand tons of coal from Canada we are going to lose a 16,000,000-ton market, and we are going also to lose our market for export of oil, which has amounted to many tens of millions of dollars annually, and we are going to lose our market for our citrus fruits.

Mr. SHIPSTEAD. I thank the Senator.

I continue reading from this editorial:

In addition, the British Columbia government, acting within its own jurisdiction, would probably impose an individual inspection fee on all citrus fruits, apples, and vegetables imported into the Province.

Mr. Pooley said British Columbia has been a large importer of United States crude oil, fruits, and to some extent vegetables, while the country to the south imports its raw nickel and asbestos to a large extent from Canada.

Another commodity upon which recommendation may be made to Ottawa is crude petroleum. Canada imported, according to the 1930 figures, petroleum valued at \$35,861,000 and gasoline worth \$18,868,000.

Crude oil is the chief competitor of British Columbia coal in its home market. The suggestion has been advanced that, in the event of embargo being placed on Canadian coal, the Dominion apply a general tariff that would effectually shut out the United States products and enter into "favored nations" treaty arrangements with South American countries producing crude petroleum.

Premier S. E. Tolmie has gone to Ottawa, and any representations necessary will be made through him direct to the Dominion Government, with a request that action be taken by the Federal Parliament this present session.

Mr. President, when the debate was on here about an import tariff on coal and oil to protect the American laborer and the American coal miner I was reminded of a conversation I had with a very distinguished Member of the body at the other end of the Capitol, the House of Representatives, who last summer made a very extensive study of the coal industry and labor in the coal industry in Europe. When he went over I said, "I am informed that the coal miners of Wales have a far higher standard of living than the coal miners of the United States. I wish you would find out whether that is so. We have been led to believe that the high tariffs made it possible for industry here in the lumber, coal, and other industries to pay wages that would give the American laboring man a higher standard of living; and if that could be exemplified, it certainly should be on coal."

To my astonishment, when this gentleman returned he said he got the surprise of his life when he went over there, because he did find that the Welsh coal miners, over whom so much sympathy has been expressed in the papers and on the platform and by men in public and private life in the United States, had a much better standard of living than the coal miners of the United States.

When we bear these things in mind, it seems to me they should lead us to believe that possibly we have been on the wrong track for quite a number of years in tinkering with tariffs, in pursuing policies that have gotten us into the situation where we are, and that while we may be making efforts to remedy conditions, we have not found any constructive, fundamental thing to do about stopping the depression and stopping the descending price level. We spend our time here talking about futile actions like tinkering with the tariff to revive industry when the whole country is in the grip of economic forces that, if allowed to continue, would drive the price level still further down, destroying values, destroying credit, destroying confidence, destroying production, increasing unemployment. Yet we spend our time here tinkering with tariffs!

I do not believe that any votes are going to be changed by this debate. I am not going to take up the time of the Senate simply for the purpose of postponing action; but I did not want this occasion to go by without uttering a few words of protest against the futile, time-wasting program that has been forced upon us by bringing these tariff items into the tax bill. I want to warn the Senate again that if we are to persist in making this a tariff bill, we should go the limit and make it a complete tariff bill. We can not make fish of one and fowl of the other. If there is any benefit in the tariffs that have been proposed, we can not place these four industries in a preferred position to collect from the pockets of the American people on the necessities that they must buy—coal, lumber, oil, gasoline, and copper.

Mr. TRAMMELL. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Byrnes	Fess	Howell
Austin	Capper	Fletcher	Hull
Bailey	Caraway	Frazier	Johnson
Bankhead	Carey	George	Jones
Barbour	Cohen	Glass	Kean
Barkley	Connally	Goldsborough	Kendrick
Bingham	Coolidge	Gore	Keyes
Blaine	Copeland	Hale	King
Borah	Costigan	Harrison	La Follette
Bratton	Couzens	Hastings	Lewis
Brookhart	Dale	Hatfield	Logan
Broussard	Davis	Hawes	Long
Bulkley	Dickinson	Hayden	McGill
Bulow	Dill	Hebert	McNary

Moses	Robinson, Ark.	Steiwer	Walcott
Neely	Robinson, Ind.	Thomas, Idaho	Walsh, Mass.
Norris	Schall	Thomas, Okla.	Walsh, Mont.
Nye	Sheppard	Townsend	Watson
Oddie	Shipstead	Trammell	White
Patterson	Shortridge	Tydings	
Pittman	Smith	Vandenberg	
Reed	Smoot	Wagner	

Mr. FESS. I am advised that the senior Senator from South Dakota [Mr. NORBECK] is detained on official business.

The VICE PRESIDENT. Eighty-five Senators having answered to their names, there is a quorum present. The question is on the amendment offered by the junior Senator from Florida [Mr. TRAMMELL] to the committee amendment, which will be reported for the information of the Senate.

The CHIEF CLERK. On page 244, line 7, after the word "measure," the Senator from Florida proposes to insert:

Phosphate rock (phosphorites, collophane, and apatites) containing more than 70 per cent of tribasic phosphate of lime, 8 cents per 100 pounds.

Mr. TRAMMELL. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. JONES (when his name was called). I have a pair with the senior Senator from Virginia [Mr. SWANSON], which I transfer to the senior Senator from Colorado [Mr. WATERMAN], and vote "yea."

Mr. TOWNSEND (when his name was called). I have a general pair with the senior Senator from Tennessee [Mr. McKELLAR], who is detained from the Senate on account of illness. Not knowing how he would vote if present, I withhold my vote.

The roll call was concluded.

Mr. THOMAS of Oklahoma (after having voted in the negative). I have a general pair with the senior Senator from Illinois [Mr. GLENN]. In his absence I withdraw my vote.

Mr. TYDINGS (after having voted in the negative). On this vote I have a pair with the senior Senator from Rhode Island [Mr. METCALF]. I understand that if he were present he would vote the same as I have voted, and I therefore allow my vote to stand.

Mr. HATFIELD. I have a general pair with the senior Senator from North Carolina [Mr. MORRISON]. I do not know how he would vote if present, and I therefore withhold my vote. If permitted to vote, I would vote "yea."

Mr. HASTINGS. I have a pair with the senior Senator from Alabama [Mr. BLACK]. Not knowing how he would vote if present, I withhold my vote.

Mr. ROBINSON of Indiana (after having voted in the negative). I have a general pair with the junior Senator from Mississippi [Mr. STEPHENS]. I understand that Senator has not voted, and I therefore withdraw my vote, not knowing how he would vote if present.

Mr. THOMAS of Idaho (after having voted in the affirmative). Has the junior Senator from Montana [Mr. WHEELER] voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. THOMAS of Idaho. I have a general pair with the junior Senator from Montana, and in his absence I withdraw my vote.

The result was announced—yeas 15, nays 61, as follows:

YEAS—15			
Ashurst	Dill	Long	Shortridge
Broussard	Fletcher	McNary	Steiwer
Carey	Johnson	Oddie	Trammell
Davis	Jones	Sheppard	
NAYS—61			
Austin	Capper	Goldsborough	La Follette
Bailey	Caraway	Gore	Logan
Bankhead	Cohen	Hale	McGill
Barbour	Connally	Harrison	Moses
Barkley	Coolidge	Hawes	Neely
Bingham	Copeland	Hayden	Norris
Blaine	Couzens	Hebert	Nye
Borah	Dale	Howell	Patterson
Bratton	Dickinson	Hull	Reed
Brookhart	Fess	Kean	Robinson, Ark.
Bulkley	Frazier	Kendrick	Schall
Bulow	George	Keyes	Shipstead
Byrnes	Glass	King	Smith

Smoot
Tydings
Vandenberg

Wagner
Walcott

Walsh, Mass.
Walsh, Mont.

Watson
White

NOT VOTING—20

Black
Costigan
Cutting
Glenn
Hastings

Hatfield
Lewis
McKellar
Metcalf
Morrison

Norbeck
Pittman
Robinson, Ind.
Stephens
Swanson

Thomas, Idaho
Thomas, Okla.
Townsend
Waterman
Wheeler

So Mr. TRAMMELL's amendment to the amendment of the committee was rejected.

The VICE PRESIDENT. The question now is on the committee amendment, which the Secretary will report.

The CHIEF CLERK. On page 244, after line 5, the committee report, to insert:

(6) Lumber, rough, or planed or dressed on one or more sides, \$3 per thousand feet, board measure; but the tax on the articles described in this paragraph shall apply only with respect to the importation of such articles.

Mr. WALSH of Massachusetts. Mr. President, I desire to present briefly my objections to the pending amendment. The pending amendment takes from the free list rough lumber and imposes a tax of \$3 per thousand feet. Lumber planed or dressed, which has a tax of \$1 per thousand feet under existing law, under this amendment increases or adds to that tax \$3 per thousand feet, making a total tax of \$4 per thousand feet upon lumber planed or dressed and \$3 per thousand feet upon rough lumber.

Mr. President, an impression has gone through the country that we are dealing with only four commodities in the revenue bill for the purpose of levying tariff duties. As a matter of fact, we are dealing with hundreds of commodities, and these innocent-appearing paragraphs contain within them increased tariff duties on hundreds of manufactured commodities. I have had a list of these articles prepared. I shall not take the time to read them all, but the extent to which increased tariff duties are to be levied upon articles manufactured in this country and used by our people can be observed by an examination of the list which I hold in my hand and which contains several hundred commodities.

I want to speak now about those manufactured articles which will be affected by the levying of this duty upon lumber both rough and planed or dressed. The first item affected is in paragraph 401 of the tariff act. Dressed lumber of fir, spruce, pine, hemlock, or larch carries a duty of \$1 per thousand feet. This amendment will increase that duty to \$3 per thousand feet.

Maple (except Japanese), birch, and beech flooring, in paragraph 402 of the tariff act, have a duty of 8 per cent ad valorem. To this is to be added a tax of \$3 per thousand feet.

Spanish cedar, *lignum vitæ*, lancewood, ebony, box, grana-dilla, mahogany, rosewood, satinwood, Japanese white oak, Japanese maple, in form of sawed board, planks, deal, and other forms not further manufactured than sawed, and flooring, in paragraph 404 of the tariff act have a duty of 15 per cent ad valorem and to that is to be added now a duty of \$3 per thousand feet.

Rough lumber in paragraph 401 is free, and it is now proposed to levy under this amendment a duty of \$3 per thousand feet.

Under paragraph 1803 of the tariff act, known as the basket clause, sawed lumber and lumber not specially provided for is free. Under this amendment whatever may fall within that provision of the law will bear a tax of \$3 per thousand feet.

A large number of wood manufacturers are obliged to import wood into this country. Certain kinds of wood are not produced in this country that are used by a large number of manufacturers. For instance, let us take the furniture manufacturers of this country. Manufacturers of furniture would be taxed on their raw material. The lumber entering into the manufacture of furniture is here being taxed at \$3 per thousand feet, and as a result we will be called upon to enact compensatory duties on furniture. This tax will apply on the lumber used in making the baby's cradle and as

well upon the lumber for the coffin in which the dead are buried. We are imposing a tax that will be a burden upon the people of the United States from the cradle to the grave.

The manufacturers of lead pencils, the manufacturers of certain types of coffins, the manufacturers of containers, the manufacturers of a great variety of store fixtures, trunks, picture frames, tobacco boxes, toys, penholders, brushes, artificial limbs, airplanes, and pattern making.

Automobile manufacturers can not get a sufficient supply of birch and maple lumber of the proper size and grades. These manufacturers require thick stock, from 1½ to 3 inches thick, and our timber supply of birch and maple is so depleted that manufacturers must go to Canada to get their necessary supplies. This imported lumber, when fabricated into an automobile body, will be subject to a further sales or manufacturers' excise tax of 3 or 4 per cent in this revenue bill under section 602.

These manufacturers have been given no compensatory duties in the pending amendment. The manufacturers of copper have been given a compensatory duty. It means that just as soon as this amendment is adopted and the tax rate named therein becomes law there will be a demand, an insistent demand, from these manufacturers for compensatory duties—a demand which we will have to recognize and respect. That means there will be increased duties levied upon the large number of wood manufactures. So much for that phase of the subject.

There are two striking objections that ought to lead the Senate to recognize the unsoundness of the proposal at this time. First of all, this very question has been passed upon, extensive hearings conducted, and a decision made by the United States Tariff Commission as late as last September. The investigation was so extensive and so thorough that it is estimated that \$55,000 was spent by the United States Tariff Commission to determine whether or not the petitioners for increased duties were entitled to have them levied. The decision made by the Tariff Commission is as follows:

The commission finds that the facts with regard to the difference in the cost of production, excluding transportation, from markets of the United States do not warrant a change in the duty of \$1 per thousand feet board measure expressly fixed by statute.

On December 2, 1931, the President of the United States approved this report.

I ask to have inserted in the RECORD a list of the Senators who voted to incorporate in the tariff act the so-called flexible provision, for it seems to me inconceivable that Senators who voted to intrust the United States Tariff Commission with the right of investigation, and with the power of recommendation by the President, of increases and decreases in tariff duties should now, a few months after an exhaustive study and report, repudiate the finding of the Tariff Commission, repudiate the judgment of the President, and come here to demand a tariff duty of \$3 per thousand feet upon rough lumber and a duty amounting to \$4 per thousand feet upon lumber sawed and planed.

The VICE PRESIDENT. Without objection, it is so ordered.

The list referred to is as follows:

Bingham, Broussard, Capper, Dale, Dill, Fess, Glenn, Goldsborough, Hale, Hastings, Hebert, Jones, Kean, Keyes, McNary, Metcalf, Oddie, Patterson, Reed, Robinson of Indiana, Shortridge, Smoot, Steiwer, Thomas of Idaho, Townsend, Trammell, Vandenberg, Walcott, and Waterman.

Mr. WALSH of Massachusetts. Mr. President, if the Tariff Commission were unable to find in November last any justification for an increase in the tariff duty on sawed lumber of \$1 per thousand feet, how can we, in the face of the impartial examination made by that tribunal, justify the levying now of a duty of \$3 in addition to the \$1 already fixed by law? They found the \$1 duty on sawed lumber was sufficient and satisfactory and ample, and yet we propose to add to that \$3 per thousand feet of lumber sawed and planed. That alone ought to defeat the amendment. I do not see how a satisfactory explanation can be made that does not involve the repudiation of the Tariff Commission and of the judgment of the President.

I come now to a second very serious objection to the proposed amendment. The fact that no distinction is made in the duty on lumber on the type used by the farmer and the home builder and lumber used on more extensive construction and industrial projects would result in this duty being equivalent to 33 1/3 per cent ad valorem on cheap lumber costing \$12 per thousand, and a duty of less than 1 per cent ad valorem on expensive lumber selling at \$250 and more per thousand feet—for instance, as used in airplanes and for mahogany paneling in high-priced office buildings and residences.

We are proceeding, Mr. President, not only to override the judgment of the Tariff Commission in opposition to increasing this duty but we are proceeding upon the request of self-interested petitioners to give them the full amount of their demands, which will result in an increased cost to the great volume of dressed lumber that is used in the building projects of the poorer classes and provide for a rather meager increase in the price of lumber used in the more expensive home building and in the making of the more expensive furniture.

Mr. President, let us inquire as to just what the word "lumber" includes. American Lumber Standards, published by the Bureau of Standards, of the Department of Commerce, and adopted by unanimous action in four general conferences in which the entire American lumber industry was represented, gives the following definition of lumber:

Lumber is the product of the saw and planing mill not further manufactured than by sawing, resawing, and passing lengthwise through a standard planing machine, crosscut to length, and matched.

Upon the basis of this definition, and certainly there is no better authority to whom we could go for a definition, the National Lumber Manufacturers Association, in its publication, *Lumber and Timber Information*, February, 1931, says there is included under this definition such articles as:

Finish, casing and base, flooring, ceiling, siding, partition, silo stock, ladder stock, piano posts, cross arms, and other wood cut in the sawmill and planed or not planed for specified uses, boards, dimension, joists and plank, small sawed timbers, large sawed timbers, sawed cross and switch ties, small-dimension stock—that is, stock ready cut to specified, usually small, dimensions—lath, shingles (possibly), veneer (possibly).

Some even claim that the term "lumber" would include shingles and also veneered woods. I personally do not think that the term "lumber" could be said to include shingles or veneered woods; but, Mr. President, it probably does include flooring; and flooring under existing law has a duty of 8 per cent ad valorem. It is therefore proposed to place an additional duty of \$3 per thousand feet upon flooring. Now, let us see how that would work out. Flooring that is commonly used in the homes of the poorer classes sells at wholesale for about \$40 per thousand feet. An ad valorem duty of 8 per cent would mean a cost of \$3.20 per thousand feet of flooring of that grade.

Mr. STEIWER. Mr. President, will the Senator from Massachusetts yield to me?

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Oregon?

Mr. WALSH of Massachusetts. I shall yield in just a moment.

The additional tax now proposed to be imposed of \$3 per thousand feet would represent a tax of \$6.20. Now I yield to the Senator from Oregon.

Mr. STEIWER. I should like to ask the Senator to develop further, if he will, the theory upon which he concludes that the pending proposal would include flooring. May I suggest to the Senator that flooring is now specifically provided for and that the language of the pending proposal is substantially the same as that in the existing tariff law, save that there is no exception with respect to rough material? Under the present tariff act of 1930 has it been suc-

cessfully contended that flooring is included in the provision placing a duty of \$1 a thousand upon dressed lumber?

Mr. WALSH of Massachusetts. No, sir; it has not been.

Mr. STEIWER. Is not the language of the proposal now before the Senate, so far as inclusion is concerned, substantially the same as that of the existing law?

Mr. WALSH of Massachusetts. Yes, sir; but the language used in this amendment is "lumber, planed and dressed." I inquire of the Senator from Oregon, Is not flooring "lumber, planed and dressed"?

Mr. STEIWER. I answer the Senator's query with a question: Is it not true that the existing law provides a duty of \$1 a thousand upon dressed lumber?

Mr. WALSH of Massachusetts. Yes; it is defined in much the same way.

Mr. STEIWER. Of course; but the duty on flooring is in an entirely different paragraph. This article is specified by a different name and seemingly was not covered in the 1930 act by the word "lumber." There is no basis for the belief that it would be included in the pending amendment.

Mr. WALSH of Massachusetts. Will the Senator from Oregon say that boards are included in the term "lumber, sawed and planed"?

Mr. STEIWER. By common acceptance and by Congress itself in enacting the tariff law boards are included, but flooring has never been.

Mr. WALSH of Massachusetts. Does the Senator say that wallboard and paneling used on the walls of a room are lumber?

Mr. STEIWER. I think so.

Mr. WALSH of Massachusetts. How can it be concluded, then, that flooring, which is nothing but planed boards, is not included?

Mr. STEIWER. Because it is specifically provided for in another part of the tariff law.

Mr. WALSH of Massachusetts. Will the Senator offer an amendment excluding it from this bill?

Mr. STEIWER. I do not want to put myself in the position of offering to amend the committee amendment, but I would have no objection to such an amendment, so far as I am personally concerned.

Mr. WALSH of Massachusetts. Mr. President, the fact that it is provided for in another paragraph of the tariff act, of course, does not affect this amendment. This amendment provides for a duty to be levied in addition to whatever duties may be levied in the tariff act.

Mr. STEIWER. I would agree with the Senator entirely if the language of the pending proposal were not substantially the same as that of existing law, but because it is substantially the same as existing law, it occurs to me that it will be construed in the same way as existing law, so far as the question of inclusion or exclusion of flooring is concerned.

Mr. WALSH of Massachusetts. I have realized that objection might be made to the assertion that flooring was included in the definition of lumber, and I have made inquiries on the subject. I had a table prepared showing what the effect would be and what kinds of lumber would be affected by this duty, and all the information I received indicated that flooring was included as one of the kinds of lumber that would be affected by this duty. I hope I am mistaken, and that flooring is not included, but it seems to me there is a very great possibility of its being included in this duty.

Mr. President, this discussion leads to the consideration of another feature of these tariff amendments, which have apparently escaped the attention of many up to the present time. The tariff items proposed to be attached to this revenue bill are excluded from the operation of the flexible provision of the United States tariff act. Every other duty levied on commodities bearing tariff duties are subject to review and investigation and to an increase or decrease. It is proposed now to segregate these particular commodi-

ties so that they will not be subject to any review by the Tariff Commission, and so that the rates can not be increased or can not be lowered, thus giving to coal, oil, lumber, and copper an entirely different status from all other tariffs.

What will the country say when the people fully realize that in the shaping of a revenue bill we have proceeded to incorporate a new tariff bill, different in principle from the present existing tariff law, and making the duties on certain selected commodities independent of action by the United States Tariff Commission, independent of any action by the President, and subject only to change by act of Congress?

Mr. VANDENBERG. Mr. President—

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Michigan?

Mr. WALSH of Massachusetts. I yield.

Mr. VANDENBERG. As one of those who are deeply interested in these rates, and deeply believe in their justification, may I say to the Senator that I would welcome a further amendment to the general schedule which would bring them within the Tariff Commission?

Mr. WALSH of Massachusetts. I propose to offer one if it is not presented by some other Senator. I think it is a rather remarkable fact that the attention of the country has not been called up to the present time, so far as I know, to the fact that this tariff measure is entirely separate, entirely removed from that portion of the present tariff law known as the flexible tariff provision, which accords some protection to the public when a rate becomes unbearable, or when a rate is so small that it is important in the interest of a domestic producer that it be increased.

Not only have we here a tariff bill different in form and different in character from the existing general tariff law, but we have a tariff bill which appears to deal with only four items, but yet which deals with hundreds of items, which contains hidden increases and tariff duties on articles that are connected with the four commodities specifically mentioned. Let me read just a few of the items that will have increased duties levied upon them if the amendment providing tariff rates shall finally be agreed to. I select items at random.

Telegraph, telephone, and other wires, and cables of copper, covered under paragraph 316 of the present tariff law, are accorded an ad valorem duty of 35 per cent, and, in addition, 4 cents per pound on the copper content.

Woven-wire cloth, gauze, fabric, or screen, brass, copper, or bronze, under paragraph 318 of the tariff act, bears an ad valorem duty of 25 per cent, and other classifications 40 per cent, and still other classifications 50 per cent. In this bill there is an increased duty of 3 cents a pound.

Hardware, bronze or brass, under paragraph 397 of the present tariff law, has an ad valorem duty of 45 per cent, and in this bill a duty of 3 cents per pound more is added.

Harness hardware of brass, under paragraph 345 of the present law, has an ad valorem duty of 35 per cent, and in this bill 3 cents per pound more is added.

Saddlery or riding bridle hardware, of brass, under paragraph 345 of the present law, has an ad valorem duty of 50 per cent, and in this bill an additional duty of 3 cents per pound.

Broken bells and bell metal, under paragraph 1620 of the present tariff act, are free; in this bill they would have a duty of 4 cents a pound.

Manganese copper is dutiable under paragraph 302 of the existing law at 25 per cent ad valorem. The adoption of the duty on copper as provided in this bill would add 3 cents a pound.

Copper foil, under paragraph 397 of the existing law, has a tariff of 45 per cent ad valorem. Under this bill, if a duty on copper should finally be enacted into law, there will be an additional 3 cents a pound.

Piano wire, brass, under paragraph 1541 of the existing law, has an ad valorem duty of 40 per cent, to which would be added under this bill 3 cents a pound.

Musical instrument strings, chief value of copper, under paragraph 1541 of the present law, have a duty of 40 per cent ad valorem. This bill would add 3 cents a pound more.

Musical instruments, chief value of copper, under paragraph 1541, have a duty of 40 per cent ad valorem. Under this bill there would be added 3 cents per pound.

Tinsel wire, chief value of copper, under paragraph 385 of the existing law, has a duty of 6 cents per pound and 10 per cent ad valorem. Under the proposed copper duty in this bill the rate would be increased 3 cents per pound.

I will not take the time, Mr. President, to enumerate more of these articles, but there are, as I have said, hundreds of them that will be subjected now to an increased duty. I regret to say that I have not been able to translate these compensatory duties of 3 cents per pound into ad valorem terms; but if we were able to do that, we would find that many of these articles will, after the adoption of the amendment we have now under consideration and the other amendments in the tariff items of this bill, make a protective duty in some cases as high as 100 per cent and in other cases even higher than that.

Mr. President, I know the Senate is tired of the discussion of these tariff questions; and I am not going to detain it any longer, except once more to call attention to the fact that in dealing with this particular question we have an adjudication of all the facts and all the elements dealing with the question of whether or not there ought to be an increased duty upon lumber. Only last November the Tariff Commission said, "The facts and the evidence do not justify an increase."

Then the duty was \$1 per thousand. The President approved the report in December; and here now, upon the petition of a small group of lumber dealers in the northwestern section of the country, it is proposed not to increase the duty above \$1 per thousand feet but to increase the duty to \$4 per thousand feet! I think the same report shows that the difference in the cost of production of rough lumber in Canada and here is 11 cents per thousand feet.

In addition to that, we will have here immediately, and properly so, the manufacturers of automobile bodies, the manufacturers of furniture, the manufacturers of lead pencils, the manufacturers of coffins, the manufacturers of cradles, the manufacturers of all wood products, asking for compensatory duties. They must come here, because now their wood is to be taxed \$4 per thousand feet; and many of these woods are not produced in this country. I wish I had time to show the extent to which the automobile manufacturers, who are already pretty heavily burdened with taxes in this bill, have to go to Canada for certain grades of lumber that they need in the manufacture of the bodies of their automobiles.

Again I call attention—I suppose it is all in vain—to the injustice of a specific duty of \$3 per 1,000 feet, representing a 33⅓ per cent ad valorem rate upon the lumber used in the cheapest of our homes and in the cheapest of buildings, as compared with a rate of only two or three per cent upon the fine, expensive mahogany and other woods that are imported into this country to panel the expensive office buildings in our cities and to make expensive furniture for the well to do.

Mr. President, the total importations of Canadian lumber against which the proponents of this amendment are seeking an embargo are only about 3.6 per cent of the total lumber consumed in the United States. Furthermore, the United States exports to other countries over twice as much lumber as she imports from Canada.

If the attempt to exclude Canadian importations of lumber succeeds the Canadian producer will send the lumber excluded from the United States to other foreign markets at the expense of the American producer. Indeed, it is quite possible that if Canada is shut out of the United States markets she might be able to negotiate preference or trade agreements which would completely exclude American lumber from the foreign market, with a consequent loss to the American producer of double the amount of Canadian importations.

American lumber is now exported to Cuba, South America, China, Japan, and other markets. The advocates of this duty are seeking to retain this export trade by excluding Canadian lumber. On the contrary, Canadian lumber excluded from America will drive American lumber out of the foreign countries above named. The result will be that the advantage that the American producers of lumber now have of exporting 100 per cent of lumber in excess of imports will be lost.

Furthermore, Mr. President, any benefit to the American lumber producers, who are few in number—it being estimated that all the lumber produced in the Northwest is in the control of 16 groups—would be at the expense of the general public. The proposed tax would fall upon the consumers of every article of lumber used in the United States.

Eliminating the effect of pyramiding the duty of \$3 per thousand increase of the present duty, based upon an average consumption of about 35,000,000,000 feet, will result in a total cost to consumers in the United States of approximately \$105,000,000 annually.

Mr. President, it seems to me that this amendment, above all others in this bill, is indefensible and ought to be voted down.

The VICE PRESIDENT. The Senator requested the printing of certain names in the RECORD. Without objection, that order will be made.

Mr. WALSH of Massachusetts. I ask also to have printed in the RECORD certain other data that I have.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

TABLE OF DUTIES LEVIED IN THE PENDING REVENUE BILL

The extent of the revision of the present tariff law is disguised in several brief paragraphs of the pending revenue bill.

Instead of affecting four commodities, the duties levied are far-reaching in their effect. These four brief paragraphs constitute amendments to 5 of the 16 schedules of the tariff act and increase the duties on hundreds of commodities.

I present a schedule containing a partial list of the vast number of manufactured articles upon which these four amendments will assess compensatory duties.

While no attempt has been made to provide compensatory rates for manufacturers of lumber, a demand for compensatory duties can not be avoided by wood manufacturers who in innumerable instances must import lumber—about, for the first time, to be subjected to a duty of \$3 per thousand feet—in order to produce their manufactured articles, such as caskets, refrigerators, trucks, picture frames, tobacco boxes, toys, pencils, brushes, airplanes, pattern making, etc.

Incomplete schedule indicating extent of proposed tariff increases in H. R. 10235, as reported by Senate Committee on Finance

Commodity	Duties under Smoot-Hawley Act (tariff act of 1930)		Additional duties added by revenue bill (H. R. 10235)
	Paragraph No.	Rate	
Anthracite coal	1650	Free	\$2 per short ton.
Bituminous coal	1650	do	Do.
Coke	1650	do	Do.
Coal briquets	1650	do	Do.
Coke briquets	1650	do	Do.
Dust briquets	1650	do	Do.
Crude petroleum	1733	do	21 cents per barrel.
Fuel oil	1733	do	Do.
Gns oil	1733	do	Do.
Gasoline	1733	do	2½ cents per gallon.
Paraffin	1733	do	1 cent per pound.
Paraffin oil	1733	do	Do.
Petroleum wax	1733	do	Do.
Asphalt	1710	do	\$2 per short ton.
Copper in ore	1658	do	4 cents per pound.
Copper in regulus	1658	do	Do.
Black or coarse copper	1658	do	Do.
Cement copper	1658	do	Do.
Old copper	1658	do	Do.
Copper scale	1658	do	Do.
Copper clippings	1658	do	Do.
Copper plates	1658	do	Do.
Copper bars	1658	do	Do.
Copper ingots	1658	do	Do.
Copper pigs	1658	do	Do.
Composition metal in chief value copper	1657	do	Do.
Copper sulphate blue vitrol.	1659	do	Do.
Verdigris	1659	do	Do.
Copper acetate and subacetate	1659	do	Do.
Copper rolls, rods, and sheets	381	2½ cents per pound.	Do.
Engravers' plates, not ground	381	7 cents per pound.	Do.
Seamless copper tubes	381	do	Do.
Engravers' plates, ground	381	11 cents per pound.	Do.
Brass copper tubes	381	do	Do.
Brass rods, sheet, plates, and bars	1650	4 cents per pound.	Do.
Muntz or yellow metal sheets	1650	do	Do.
Brass sheathing	1650	do	Do.
Brass bolts, piston rods, and shafting	1650	do	Do.
Seamless brass tubes and tubing	1650	8 cents per pound.	Do.
Brazed brass tubes	1650	12 cents per pound.	Do.
Brass angles, channels	1650	do	Do.
Bronze rods and sheets	1650	4 cents per pound.	Do.
Bronze tubes	1650	8 cents per pound.	Do.
Household, kitchen, hospital, utensils in chief value copper	339	40 per cent ad valorem	3 cents per pound.
Hollow ware and flat ware in chief value copper	339	do	Do.
Copper wire	316	25 per cent ad valorem	4 cents per pound.
Telegraph, telephone, and other wires and cables, of copper, covered	316	35 per cent ad valorem	4 cents per pound on copper content.
Woven-wire cloth; gauze, fabric, or screen, of brass, copper or bronze	318	25 per cent ad valorem	3 cents per pound.
Do.	318	40 per cent ad valorem	Do.
Do.	318	50 per cent ad valorem	Do.
Fourdrinier wires and cylinder wires	318	do	Do.
Hardware:			
Bronze or brass	397	45 per cent ad valorem	Do.
Not in chief value of copper but containing 4 per cent copper or more by weight	397	do	3 per cent ad valorem or ¾ cent per pound.
Harness hardware, of brass	345	35 per cent ad valorem	3 cents per pound.
Saddlery or riding bridle hardware, of brass	345	50 per cent ad valorem	Do.
Brass, old brass, clippings from brass or Dutch metal	1624	Free	4 cents per pound.
Broken bells and bell metal	1620	do	Do.
Manganese copper	302	25 per cent ad valorem	3 cents per pound.
Copper foil	397	45 per cent ad valorem	Do.
Piano wire, brass	1541	40 per cent ad valorem	Do.
Musical instrument strings (chief value of copper)	1541	do	Do.
Musical instruments:			
Chief value of copper	1541	do	Do.
Not in chief value of copper, but containing 4 per cent or more copper by weight	1541	do	3 per cent ad valorem or ¾ cent per pound.

Incomplete schedule indicating extent of proposed tariff increases in H. R. 10236, as reported by Senate Committee on Finance—Continued

Commodity	Duties under Smoot-Hawley Act (tariff act of 1930)		Additional duties added by revenue bill (H. R. 10236)
	Para-graph No.	Rate	
Tinsel wire:			
Chief value of copper.....	385	6 cents per pound and 10 per cent ad valorem.	3 cents per pound.
Not in chief value of copper, but containing 4 per cent or more copper by weight.	385	do.	3 per cent ad valorem or $\frac{3}{4}$ cent per pound.
Lame or lahn:			
Chief value of copper.....	385	6 cents per pound and 20 per cent ad valorem.	3 cents per pound.
Not in chief value of copper but containing 4 per cent or more copper by weight.	385	6 cents per pound and 20 per cent ad valorem.	3 per cent ad valorem or $\frac{3}{4}$ cent per pound.
Bullions and metal threads, in chief value of tinsel wire, lame, or lahn.....	385	6 cents per pound and 35 per cent ad valorem.	Do.
Beltings and other articles wholly or in chief value of tinsel wire, lame, or lahn....	385	45 per cent ad valorem.	Do.
Woven fabrics, ribbons, fringes, and tassels, containing 4 per cent or more copper by weight.	385	55 per cent ad valorem.	Do.
Bronze powder (chief value of copper).....	382	14 cents per pound.	3 cents per pound.
Bronze powder, not in chief value of copper but containing 4 per cent or more copper by weight.	382	do.	3 per cent ad valorem or $\frac{3}{4}$ cent per pound.
Flitters and metallics (chief value copper).....	382	12 cents per pound.	3 cents per pound.
Not in chief value of copper but containing 4 per cent or more copper, by weight.	382	do.	3 per cent ad valorem or $\frac{3}{4}$ cent per pound.
Bronze or Dutch metal leaf.....	382	6 cents per 100 leaves.	3 cents per pound.
Bronze powder or Dutch-metal powder in leaf.....	382	6 cents per 100 leaves and 10 per cent ad valorem.	Do.
Stamping and embossing materials of bronze powder or Dutch metal powder, mounted on paper or equivalent and releasable from backing by heat and pressure.	382	$\frac{3}{4}$ cent per 100 square inches.	Do.
All articles suitable for producing, rectifying, modifying, controlling, or distributing electrical energy; electrical telegraph, telephone, signaling, radio, welding, ignition, wiring, therapeutic and X-ray apparatus, instruments and devices; and articles having as an essential feature an electrical element or device, such as electric motors, fans, locomotives, portable tools, furnaces, heaters, ovens, ranges, machines, refrigerators, and signs, and parts thereof (chief value of copper).	353	35 per cent ad valorem.	Do.
Not in chief value of copper but containing 4 per cent or more copper by weight.	253	do.	3 per cent ad valorem or $\frac{3}{4}$ cent per pound.
Hooks and eyes, brass.....	347	4 $\frac{1}{2}$ cents per pound and 25 per cent ad valorem.	3 cents per pound.
Snip fasteners and clasps (chief value copper):			
Not mounted on tape.....	348	55 per cent ad valorem.	Do.
Mounted on tape.....	348	60 per cent ad valorem.	Do.
Hair, safety, and other pins (chief value copper).....	350	35 per cent ad valorem.	Do.
Buttons (chief value copper).....	349	$\frac{3}{4}$ cent per line per gross and 15 per cent ad valorem.	Do.
Metal buttons embossed with design, device, pattern, or lettering:			
Chief value copper.....	349	45 per cent ad valorem.	Do.
Not in chief value of copper but containing 4 per cent or more copper by weight.	349	do.	3 per cent ad valorem or $\frac{3}{4}$ cent per pound.
Safety razors, and safety-razor handles and frames:			
Chief value copper.....	358	10 cents each and 30 per cent ad valorem.	3 cents per pound.
Not in chief value of copper but containing 4 per cent or more copper by weight.	358	do.	3 per cent ad valorem or $\frac{3}{4}$ cent per pound.
Surgical instruments and parts thereof:			
Chief value copper.....	359	55 per cent ad valorem.	3 cents per pound.
Not in chief value of copper but containing 4 per cent or more copper by weight.	359	do.	3 per cent ad valorem or $\frac{3}{4}$ cent per pound.
Dental instruments and parts thereof:			
Chief value copper.....	359	35 per cent ad valorem.	3 cents per pound.
Not in chief value of copper but containing 4 per cent or more by weight.....	359	do.	3 per cent ad valorem or $\frac{3}{4}$ cent per pound.
Scientific and laboratory instruments, apparatus, utensils, and appliances, and parts thereof:			
Chief value copper.....	360	40 per cent ad valorem.	3 cents per pound.
Not in chief value of copper but containing 4 per cent or more by weight.....	360	do.	3 per cent ad valorem or $\frac{3}{4}$ cent per pound.
Bells (except church and similar bells and carillons) and parts thereof:			
Chief value copper.....	364	50 per cent ad valorem.	3 cents per pound.
Not chief value copper but containing 4 per cent or more by weight.....	364	do.	3 per cent ad valorem or $\frac{3}{4}$ cent per pound.
Carillons and parts thereof:			
Chief value copper.....	1541	20 per cent ad valorem.	3 cents per pound.
Not chief value copper but containing 4 per cent or more by weight.....	1541	do.	3 per cent ad valorem or $\frac{3}{4}$ cent per pound.
Jewelry (chief value copper).....	1527	1 cent each and $\frac{3}{4}$ cent per dozen for each 1 cent the value exceeds 20 cents per dozen, and 50 per cent ad valorem.	3 cents per pound.
Not chief value copper but containing 4 per cent or more by weight.....	1527	do.	3 per cent ad valorem or $\frac{3}{4}$ cent per pound.
Rope, curb, cable, and fancy patterns of chain (chief value copper).....	1527	6 cents per foot plus $\frac{3}{4}$ cent per yard for each 1 cent the value exceeds 30 cents per yard, and 50 per cent ad valorem.	3 cents per pound.
Not chief value copper but containing 4 per cent or more by weight.....	1527	do.	3 per cent ad valorem or $\frac{3}{4}$ cent per pound.
Buckles, cardcases, chains, cigar cases, cigar cutters, cigar holders, cigar lighters, cigarette cases, cigarette holders, coin holders, collar, cuff, and dress buttons, combs, match boxes, mesh bags and purses, millinery, military and hair ornaments, pins, powder cases, stamp cases, vanity cases, watch bracelets, and like articles, finished or unfinished (chief value copper).	1527	1 cent each, plus $\frac{3}{4}$ cent per dozen for each 1 cent the value exceeds 20 cents per dozen, and 50 per cent ad valorem.	3 cents per pound.
Not chief value copper but containing 4 per cent or more by weight.....	1527	do.	3 per cent ad valorem or $\frac{3}{4}$ cent per pound.
Stampings, galleries, mesh and other materials, suitable for use in manufacture of the foregoing (chief value copper).	1527	80 per cent ad valorem.	3 cents per pound.
Not chief value copper but containing 4 per cent or more by weight.....	1527	do.	3 per cent ad valorem or $\frac{3}{4}$ cent per pound.
Watches, dials, cases, and parts (chief value copper).....	367	Various rates.	3 cents per pound.
Not chief value copper but containing 4 per cent or more by weight.....	367	do.	3 per cent ad valorem or $\frac{3}{4}$ cent per pound.
Clocks, clock movements, cases, and parts:			
Chief value copper.....	368	Various rates.	3 cents per pound.
Not chief value copper but containing 4 per cent or more by weight.....	368	do.	3 per cent ad valorem or $\frac{3}{4}$ cent per pound.
Gas and electric fixtures of brass.....	397	45 per cent ad valorem.	3 cents per pound.

Incomplete schedule indicating extent of proposed tariff increases in H. R. 10236, as reported by Senate Committee on Finance—Continued

Commodity	Duties under Smoot-Hawley Act (tariff act of 1930)		Additional duties added by revenue bill (H. R. 10236)
	Para-graph No.	Rate	
Builders', vehicle, and luggage hardware:			
Chief value copper.....	397	45 per cent ad valorem.....	3 cents per pound.
Not chief value copper but containing 4 per cent or more by weight.....	397	do.....	3 per cent ad valorem or $\frac{3}{4}$ cent per pound.
Valves, fittings, faucets, and other plumbing equipment (chief value copper).....	397	do.....	3 cents per pound.
Fire extinguishers (chief value copper).....	397	do.....	Do.
Other articles or wares n. s. p. f. in chief value of copper.....	397	do.....	Do.
Other articles or wares n. s. p. f. in chief value of metal other than copper but containing 4 per cent or more of copper.....	397	do.....	3 per cent ad valorem or $\frac{3}{4}$ cent per pound.
Dressed lumber of fir, spruce, pine, hemlock, or larch.....	401	\$1 per 1,000 feet.....	\$3 per 1,000 feet.
Maple (except Japanese), birch, and beech flooring.....	402	8 per cent ad valorem.....	Do.
Spanish cedar, lignum-vitæ, lancewood, ebony, box, granadilla, mahogany, rose-wood, satinwood, Japanese white oak, Japanese maple, in form of sawed boards, planks, deal, and other forms not further manufactured than sawed, and flooring.	404	15 per cent ad valorem.....	Do.
Rough lumber.....	401	Free.....	Do.
Sawed lumber and timber not specially provided for.....	1803	do.....	Do.

OFFICE OF THE COMMISSIONER OF CUSTOMS,
May 23, 1932.

Memorandum for Senator DAVID I. WALSH, from the Commissioner of Customs.

I have had Mr. Ashworth, the chief of the tariff classification division, indicate the tariff classification of the articles submitted in your list, under the tariff act of 1930.

The list is prepared in view of the provision in H. R. 10236, which carries a provision on page 244 for a tax on "lumber, rough or planed or dressed on one or more sides" of \$3 per thousand feet. In the classification of woods and manufactures of wood unless an article is specifically provided for by name it is dutiable under paragraph 412 as an article manufactured wholly or in chief value of wood, but I note that there are a number of articles enumerated in the list submitted by you which indicate articles in chief value of metal, for example, firearms, elevators, clocks, professional and scientific instruments, etc. These would not be subject to classification as wood or manufactures of wood. The butchers' blocks, if merely a log of wood with the bark off and of a size to be used by butchers, would probably be free of duty under paragraph 1803.

You will note that there have been grouped under one classification trimmings, moldings, and other millwork as free of duty under paragraph 1803 or dutiable under paragraph 401. This classification has been given for the reason that the courts have gone very far in placing under the free provision in paragraph 1803, and the corresponding paragraphs of previous tariff acts, articles of wood which might very reasonably be considered manufactures of wood. It should be noted, however, that Congress has recognized that the lumber provided for in paragraph 1803 is in fact a manufactured article because it provides for articles "not further manufactured." The question was presented to me this morning whether paragraph 6, on page 244 of the bill, would be construed to impose a tax on laths. Paragraph 1803 provides by name for laths, indicating that in the opinion of Congress they are not within the classification of "lumber." However, laths are, in my opinion, as much the product of the lumber mill as flooring, molding, and similar articles, and would, therefore, seem to be included within the term "rough lumber." Reverting to the subject of articles in part of wood, but in chief value of some other material, your attention is invited to guns. The gunstocks are ordinarily of wood, but even if the guns were not specially provided for in the tariff act they would be dutiable as in chief value of metal, and as Congress may desire to impose a compensatory duty on stocks attention is invited to paragraph 7 on page 244 of the bill, on copper.

F. X. A. EBLE.

Articles on which compensatory duties can be demanded if the proposed tax of \$3 per thousand board feet on lumber in H. R. 10236 is enacted

	Present duty	Paragraph No.
Casks, barrels, and hogsheads (empty).....	15 per cent ad valorem.....	407.
Packing boxes (empty).....	33½ per cent ad valorem.....	412.
Boxes, barrels, and other articles containing oranges, lemons, limes, grapefruit, shaddock, or pomelos.....	25 per cent ad valorem.....	408.
Toothpicks.....	do.....	410.
Skewers (butchers' and packers').....	25 cents per M.....	410.
Porch and window blinds, baskets, bags, chair seats, curtains, shades, or screens, if wholly or in chief value of wood or compositions of wood.....	50 per cent ad valorem.....	411.
Spring clothespins.....	20 cents per gross.....	412.
Furniture, wholly or partly finished and parts thereof, wholly or in chief value of wood n. s. p. f.....	40 per cent ad valorem.....	412.

Articles on which compensatory duties can be demanded, etc.—
Continued

	Present duty	Paragraph No.
Folding rules, wholly or in chief value of wood.....	40 per cent ad valorem.....	412.
Wood moldings and carvings to be used in architectural or furniture decoration.....	do.....	412.
Paintbrush handles, wholly or in chief value of wood.....	33½ per cent ad valorem.....	412.
Wood flour.....	25 per cent ad valorem.....	412.
Manufactures of wood and bark if wood or bark is chief component material.....	33½ per cent ad valorem.....	412.
Doors.....	do.....	412.
Blinds.....	50 per cent ad valorem.....	411.
Sash.....	33½ per cent ad valorem.....	412.
Trimnings and moldings and other millwork.....	If "lumber" not advanced beyond planed, tongued, and grooved, free, paragraph 1803 or \$1 per M. if of the woods mentioned in paragraph 401; if not "lumber," 33½ per cent.	412.
Plow and similar bent handles.....	Free.....	1804
Hoe, shovel, fork, broom, and other long handles.....	33½ per cent ad valorem.....	412.
Pencil slats (Customs Court of Appeal, T. D. 42188) held free as "lumber.".....		1803.
Woodenware, no provision for, probably.....	33½ per cent.....	412.
Artificial limbs.....	33½ per cent.....	412.
Boot and shoe findings, no provision for, and if in chief value of wood.....	do.....	412.
Agricultural implements.....	Free, except as specified by name in Title I, act 1930.	(1904).
Airplanes.....	30 per cent.....	370.
Crates.....	33½ per cent.....	412.
Cigar and tobacco boxes.....	do.....	412.
Brooms and carpet sweepers.....	25 per cent.....	1595.
Bungs and faucets (wood).....	33½ per cent.....	412.
Butcher's blocks.....	33½ per cent.....	412.
Caskets and coffins (wood).....	40 per cent.....	409.
Chairs and chair stock (parts).....	40 per cent.....	412.
Clocks (see par. 368).....	42½ per cent.....	412.
Dairymen's, poulterers', and apiarists' supplies (see par. 1604).....	33½ per cent.....	412.
Novelties (wooden).....	do.....	412.
Dowels (wood).....	do.....	412.
Elevators (metal-electric).....	35 per cent.....	353.
Playground equipment (wood).....	33½ per cent.....	412.
Firearms (see pars. 365 and 366).....		
Fixtures.....	metal..... 45 per cent.....	397.
	wood..... 33½ per cent.....	412.
Picture frames.....	do.....	412.
Gates.....	do.....	412.
Fencing, pickets, posts, palings.....	Face.....	1804, 1805.
Professional and scientific instruments (see also par. 368).....	40-45-60.....	350, 228.
Musical instruments.....	40 per cent.....	1541.
Pipe organs.....	35 per cent.....	
Violins, etc.....	35 per cent and \$1.25 each.....	1541.
Laundry appliances (if wood, not machines nor electrical).....	33½ per cent.....	412.
Machinery and apparatus (see pars. 353, 360, and 372).....		
Matches:		
Not more than 100 matches per box.....	20 cents per gross of 144 boxes.....	1516.
Others in books or folders or with colored stem.....	2½ cents per 1,000 matches.....	1516.
Mine equipment.....	40 per cent.....	1516.
Scenery (motion-picture and theatrical) (wood).....	33½ per cent.....	412.

Articles on which compensatory duties can be demanded, etc.—
Continued

	Present duty	Paragraph No.
Patterns and flasks, molder's patterns	50 per cent	337.
Conduits (if wood)	33½ per cent	412.
Paving blocks	do.	412.
Pencils	50 cents per gross and 30 per cent ad valorem.	1549.
Penholders	25 cents per gross and 20 per cent ad valorem.	1550.
Pipes (tobacco)	5 cents and 60 per cent ad valorem.	1552.
Planing-mill products:		
If lumber not further manufactured than planed, tongued and grooved, fir, pine, spruce, hemlock, larch.	\$1 per thousand board feet.	
Except dressed on one side only from Canada.	Free	1401.
Other lumber not further manufactured than planed, tongued and grooved.	do.	1803.
Plumber's woodwork ¹		
Printing material (see par. 395)		
Pulleys and conveyors:		
If machines, not electrical.	27½ per cent	372.
Otherwise (if wood)	33½ per cent	412.
Otherwise (if metal)	45 per cent	397.
Pumps and wood pipe	33½ per cent	412.
Refrigerators:		
Wood.	40 per cent	412.
Electric, metal.	35 per cent	353.
Kitchen cabinets (furniture)	40 per cent	412.
Map and shade rollers	33½ per cent	412.
Harness and saddles (see par. 1530 (f))		
Sewing machines	15-30 per cent	372.
Ships and boats:		
Motor boats	30 per cent	370.
Others less than 5 net tons, wood	33½ per cent	412.
Shuttles, spools, and bobbins (unless parts of sewing machines or textile machinery).	do.	412.
Signs:		
Wood	do.	412.
Electric, metal.	35 per cent	353.
Sporting and athletic goods	30 per cent	(9)
Tanks, wood	33½ per cent	412.
Silos (knockdown), wood	do.	413.
Toys	70 per cent	1513.
Trunks and valises, wood	33½ per cent	412.
Vehicles (nonmotor), wood	do.	412.
Automobiles (see Bodies, par. 369)		
Weighing apparatus:		
Automatic scales	27½ per cent	372.
Electric	35 per cent	353.
Canes and umbrella sticks	40 per cent ad valorem.	(1554).
Whips, wood	33½ per cent	412.

¹ Not sufficiently specific to suggest rate.

² As defined.

³ P. 1502, as described.

DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
Washington, May 23, 1932.

Re: Statistics, lumber distribution.

Hon. DAVID I. WALSH,

United States Senate.

DEAR SENATOR WALSH: At the request of your secretary, I am inclosing three photostats showing the computed consumption of hardwood lumber and of softwood lumber and of both combined for all States and regions of the United States in the calendar year 1930.

These figures are preliminary, subject to correction; but it is not contemplated that any extensive changes will be made. The probability is that the imports from Canada will be slightly increased, but there will be no resulting change in the total consumption or the per capita consumption.

The following information for New England, taken from reports of previous years, may be of interest:

In the decade beginning 1920 and ending 1930 the contribution of New England forests to the quantity of lumber consumed in New England decreased from 1,024,559,000 board feet to 491,463,000 board feet.

In the same period the contribution from the Pacific Northwest States (Washington and Oregon) increased from 88,087,000 board feet to 302,889,000 board feet.

The contribution of foreign lumber (principally from Canada) decreased from 428,393,000 board feet to 274,059,000 board feet.

The total quantity of lumber consumed decreased from 2,154,085,000 board feet to 1,387,185,000 board feet, resulting in a decrease of per capita from 290 board feet to 170 board feet.

It should be observed, however, that the peak of consumption in New England in this decade was in 1923 in which year the quantity consumed was 2,245,034,000 board feet with a per capita consumption of 290 board feet.

Very sincerely yours,

ROY HEADLEY, Acting Forester.

Production of lumber in New England, 1930

[Source: U. S. Department of Commerce, Bureau of the Census, "Forest Products: 1930, Lumber Lath and Shingles."]

Production (thousand feet board measure):	
Connecticut	20,525
Maine	222,104
Massachusetts	82,101
New Hampshire	181,702
Rhode Island	7,019
Vermont	94,489
Total, New England	607,940
Total, United States	26,051,473

WINTON LUMBER CO.,
Washington, D. C., May 16, 1932.

Senator DAVID I. WALSH,

Senate Office Building, Washington, D. C.

DEAR SENATOR: Of what use is the "flexible clause" of the present tariff act?

In connection with the present tariff on lumber, in November, 1931, the Tariff Commission found "differences in costs of production, including transportation to the principal markets in the United States, of the domestic article and the like or similar article purchased in the principle competing country (Canada) * * * do not warrant a change in the duty of \$1 per thousand feet board measure." On December 2, 1931, the President approved of the findings. Proponents of the tariff on lumber now in the revenue bill propose to override these findings of the Tariff Commission, which had made an exhaustive study of the subject.

The Tariff Commission was created by act of Congress to make scientific investigations of the necessity for changes in tariff rates. The proposed lumber tariff, if passed, will set the pernicious precedent of an appeal to Congress each time some faction in an industry dislikes one of the commission's findings, thereby defeating the whole purpose of the flexible clause. Aside from the lack of merit in the argument for an added lumber tariff, I believe that this point alone is sufficient cause to reject this section of the revenue bill, and I hope you will use your influence against it.

Respectfully,

R. C. WINTON.

SPOKANE, WASH., May 13, 1932.

Hon. DAVID I. WALSH,

United States Senate Chamber, Washington, D. C.

We are lumber manufacturers operating in Canada and the United States. Any increased tariff on lumber into the United States will not produce any revenue but rather discontinue the present revenue. Like everyone else, we want the Budget question settled and believe the sales tax the practical way to solve this question.

W. W. POWELL CO.

MAY 10, 1932.

Hon. DAVID I. WALSH,

Senate Office Building, Washington, D. C.

MY DEAR SENATOR: In connection with the pending tax bill we regret to learn that the Senate Finance Committee has imposed a duty of \$3 per thousand feet on softwood lumber, rough or dressed. This will certainly be unpopular with the farmers, the prospective builders, and the lumber-consuming public, if the record of 1929 and 1930 is any criterion.

We believe the anticipated revenue will prove a chimera. Canada is our chief source of supply on imported softwoods. In 1931 she only shipped us 671,589,000 feet (vide United States Department of Commerce). This amount at \$3 per thousand would only provide \$2,014,767. The \$3 would be a virtual embargo on common or low-grade stock, so this figure would be excessive—a poor stroke of business, considering the damaging effect on our Canadian export trade.

It can not be justified on grounds of protection, as shown by the latest United States Tariff Commission report, after their recent investigation of the Canadian lumber industry.

As we understand it, all softwood lumber is lumped together, irrespective of species, which would seem to indicate that little or no study of the matter had been made by the committee. We certainly should have no tariff on spruce lumber and genuine white pine. Our supply of these woods is practically exhausted and we have to depend on Canada for much of our requirements.

We earnestly recommend that you vote to strike out the proposed lumber duty for the reason that it would produce a negligible revenue, be a serious blow to our Canadian trade, and in view of the fact that Canadian and American lumber costs are practically equal would amount to a virtual embargo.

Yours very respectfully,

THE NEW YORK LUMBER TRADE ASSOCIATION,
R. E. STOCKING,
Chairman Legislative Committee.

CHICAGO, ILL., May 10, 1932.

Hon. DAVID I. WALSH,

United States Senate, Washington, D. C.

MY DEAR SENATOR: In my letter filed with the Senate Finance Committee on April 18, 1932, copy attached, I pointed out that the

remaining stand of virgin northern white pine in the United States totaled less than 4,000,000,000 feet, or less than 1 per cent of the original stand, which is said by the Forest Service to have been 540,000,000,000 feet. The small remaining stand is fast disappearing, the domestic annual production of virgin northern white pine being about 150,000,000 feet.

Imports of virgin northern white pine from Canada were less than 100,000,000 feet in 1931, with an average value of \$40 per thousand board feet, delivered, with freight added. An excise tax or tariff of \$3 per thousand feet on rough and dressed lumber, coupled with the present tariff of \$1 per thousand feet on dressed lumber, would make the duty \$4 per thousand feet on dressed lumber and \$3 per thousand feet on rough lumber. The proposed tax would yield very little revenue, but would tend to exclude these imports, thus hastening the depletion of a forest resource that is irreplaceable.

Virgin northern white pine has special uses such as in the manufacture of rifle containers, tobacco containers, window-shade rollers, and many other industrial uses. It also has distinctive uses such as in the making of patterns. Patterns of wood are used by the United States Government in the molding and manufacture of guns, gun parts, and other ordnance equipment. There are 300,000 patterns in stock at the Washington Navy Yard alone, varying in size from a few inches to patterns large enough to form the molds for the longest range guns. At the various Army and Navy posts throughout the United States patterns are also used in large quantities. The Government has found that virgin northern white pine is most suitable for these purposes.

The United States Tariff Commission, in its report on lumber, issued November 9, 1931, pointed out that in the Chicago market Canadian white pine lumber was at a disadvantage of \$2.66 per thousand feet. By far the majority of the virgin northern white pine imports go to Chicago and the surrounding territory—Minnesota, Michigan, Wisconsin, Illinois, Indiana, Ohio, and Pennsylvania.

I also wish to remind you of the widespread opposition to a tariff on lumber expressed by retail lumber dealers and associations, millwork manufacturers, and the principal farm organizations throughout the country. During the writing of the 1930 tariff act more than 1,500 prominent organizations and firms, representing thousands of consumers throughout the United States, signed briefs opposing the imposition of duties on lumber. No new arguments favoring a duty have been developed. The farmers who consume 45 per cent of the annual lumber consumption naturally stand in the same position against a duty, as do the retailers and wholesalers who feel that a duty would not benefit the domestic industry but would hamper our present trade relations.

May we count on your assistance in striking out the Finance Committee proposal in H. R. 10236 for an excise tax on lumber of \$3 per thousand board feet?

Very truly yours,

HERMAN H. HETTLER LUMBER CO.,
By SANGSTON HETTLER, President.

BLOEDEL, STEWART & WELCH (LTD.),
Seattle, May 11, 1932.

Hon. DAVID I. WALSH,

United States Senate, Washington, D. C.

MY DEAR SENATOR: I am submitting for your study the attached brief opposing the tariffs on softwood lumber which are at present included in the Senate revenue bill as excise taxes.

We wish to recommend for your special consideration two factors in the lumber tariff problem which would seem to be of decisive importance and which are fully dealt with in this brief.

1. The volume of imported softwood lumber is such a small per cent of the total domestic consumption that it could not possibly be a serious factor in the domestic lumber industry. The imports from Canada, the only important exporter of lumber to the United States, were 4.8 per cent of domestic consumption in 1929, 5 per cent in 1930, and 4.9 per cent in 1931. Furthermore, there can be no valid claim that these imports subjected the domestic product to unfair competition for the Tariff Commission in their report issued November 9, 1931, which was approved by the President of the United States, December 2, 1931, conclusively showed that the differences in cost of production between the two countries were small and were adequately provided for in the existing tariff of \$1 per thousand feet on dressed lumber.

2. The proposed rates of \$3 on rough lumber and \$4 on dressed lumber were designed to and will absolutely eliminate softwood lumber imports. But the domestic manufacturer's problem will not thereby be solved, since foreign lumber forced out of the American market will find its place in world markets at the expense of the American exporter. This is most important in view of the fact that the United States at present exports roughly \$45,000,000 worth of lumber and imports but one-third this amount.

Very truly yours,

J. H. BLOEDEL,
By PRENTICE BLOEDEL,
Secretary-Treasurer.

WASHINGTON, D. C., May 4, 1932.

Hon. DAVID I. WALSH,

United States Senate, Washington, D. C.

DEAR SENATOR: You are a member of the party that has always been against a high-tariff policy. On this account we are appeal-

ing to you to oppose the proposed import tax on lumber, and for the following reasons:

(1) The Tariff Commission has investigated and found no need for a further tariff to protect American lumber manufacturers.

(2) Advocates for the tax base their case on the depression in the American lumber industry. There is no reason for subsidizing the lumber industry which is suffering no more than many others. Declines in prices of farm products have been double those of lumber.

(3) Any additional tax would be an embargo, with the result that no revenue would be produced. The revenue from the present lumber tariff would be lost.

(4) The total importations of lumber amount to only 3.6 per cent of our consumption. The exclusion of this insignificant proportion would not help the American industry or increase employment appreciably.

(5) Any benefits to the American producers would be at the expense of the general public, especially the farmer. The reasons for this are shown in the inclosed pamphlet.

(6) The owners of the Canadian spruce mills whom I represent have timber interests in the United States over eight times as great as in Canada. If the embargo tax would benefit our American companies, we would be for it; but we are sure it would not help them, and it would ruin our Canadian properties. Since my people are interested in this country in fir, yellow pine, and white pine, their opinion should be fairly representative.

These points and others are developed in the inclosed pamphlet to which your attention is respectfully invited. If further information is desired, I can be reached at the Hamilton Hotel.

Yours very truly,

R. C. WINTON.

Mr. HARRISON. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Davis	Kean	Sheppard
Barbour	Dickinson	Kendrick	Shipstead
Blaine	Dill	Keyes	Shortridge
Borah	Fess	King	Smith
Bratton	Fletcher	La Follette	Smoot
Broussard	George	Logan	Steiwer
Bulkley	Glass	Long	Thomas, Idaho
Byrnes	Goldsborough	McGill	Thomas, Okla.
Capper	Hale	McNary	Townsend
Caraway	Harrison	Moses	Tydings
Carey	Hastings	Neely	Vandenberg
Cohen	Hatfield	Norris	Wagner
Connally	Hayden	Oddie	Walcott
Coolidge	Hebert	Patterson	Walsh, Mass.
Copeland	Howell	Reed	Walsh, Mont.
Costigan	Hull	Robinson, Ark.	Watson
Couzens	Johnson	Robinson, Ind.	White
Dale	Jones	Schall	

The VICE PRESIDENT. Seventy-one Senators have answered to the roll call. A quorum is present. The question is on the amendment of the committee.

Mr. LONG and Mr. JOHNSON called for the yeas and nays and they were ordered.

Mr. HARRISON. Mr. President, I do not want to discuss this matter; but the Senator from New York [Mr. COPELAND] was trying to get the eye of the Presiding Officer. He has gone into the cloakroom to answer a telephone call and will be back in a moment.

Mr. TYDINGS. Mr. President, I should like to offer an amendment to the committee amendment. After the word "measure," on page 244, line 7, I move to insert "aluminum hydroxide or refined bauxite, one-fourth cent per pound."

That reduces the aluminum tariff about 50 per cent. As I understand the matter, no aluminum at all is coming into the country at present. There is a complete embargo; and, as this is a revenue measure, we should reduce the duty so as to get a little revenue from this concern, which is well able to pay it.

Mr. COPELAND. Mr. President, it might be well to have a vote on this matter. I desire to offer an amendment.

The VICE PRESIDENT. The question is on the amendment of the Senator from Maryland to the amendment of the committee.

Mr. LA FOLLETTE. I call for the yeas and nays.

Mr. TYDINGS. Mr. President, does not the Senator from New York wish to address himself to the lumber schedule?

Mr. COPELAND. I may say to the Senator that I desire to offer an amendment.

Mr. TYDINGS. I will withdraw my amendment temporarily, in order to give the Senator from New York a chance to offer his.

The VICE PRESIDENT. The Senator from Maryland withdraws his amendment.

Mr. COPELAND. Mr. President, I desire to offer an amendment to the committee amendment on page 244, line 6. I ask the omission of the word "rough," the second word in that line, so as to exclude rough lumber from the operation of the tariff.

I assume that the Senator from Washington [Mr. JONES] will have no objection to accepting the amendment.

Mr. JONES. Mr. President, I am sorry I can not agree to the suggestion of my good friend from New York.

Mr. COPELAND. Mr. President, I am not so simple as to think that any poor words of mine could change the result so far as this proposed tariff on lumber is concerned. I know that the Senate is predestined and foreordained to adopt the amendment of the committee, but I could not consent to have it adopted without calling attention to what will happen to my State by reason of this particular tariff proposal.

New York City is the greatest lumber market in the world; and, of course, the addition of this tariff to lumber will impose a great hardship on my State. I could enlarge upon that at considerable length. I could point out the great need that we have at the present time of aiding in construction, in promoting building, particularly the building of small homes. That is one kind of building which has not been overdone in America.

Too many hotels have been built, too many apartment houses have been built, too many monumental buildings have been built. Not by any means, however, have too many homes for the people been built.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. WALSH of Massachusetts. If I recall the circumstances correctly, the Senator from New York offered an amendment similar to the one he is now offering to an amendment proposed by the Senator from Washington at the time the last tariff act was under consideration, and the amendment of the Senator from New York was accepted by the Senator from Washington at the time, with the result that the tariff act bears a duty upon lumber, sawed and planed, of a dollar a thousand, and rough lumber has been excluded. Am I correct?

Mr. COPELAND. That is correct.

Mr. WALSH of Massachusetts. The Senator is seeking to exclude rough lumber from the committee amendment at this time?

Mr. COPELAND. That is correct. The Senator will remember that I offered an amendment relating to timber hewn, sided, or squared otherwise than by sawing, and round timber used for spars, and so on, with a proviso for a countervailing duty.

As I was saying before my distinguished friend from Massachusetts interrupted me, it does seem to me that at this time, when we are attempting to improve conditions throughout the country, it is a great mistake to impose any tariff upon lumber. However, I am not going to argue that, because it is utterly useless to do so. I do appeal to the Senate, however, that rough lumber be excluded from this amendment offered by the committee.

The reason why I make the appeal is that there are in the northern part of my State great planing mills, where at the present time there is a tremendous amount of unemployment. Those mills are devoted to the planing and preparation of lumber, the basic material coming from Canada.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield further?

Mr. COPELAND. I yield.

Mr. WALSH of Massachusetts. I understand that there are a large number of lumber mills in the Senator's State which receive rough lumber from Canada and manufacture it in the mills in his State.

Mr. COPELAND. That is correct.

Mr. WALSH of Massachusetts. I think the Senator's attention ought to be called to the fact, if he does not know it, that the lumber dealers who are asking for this duty have not asked for a duty upon logs, but logs are to be admitted free of duty. Logs can come from British Columbia to the Northwestern States free of duty, but if the material in a second stage, namely, rough lumber, comes in from British Columbia, there will be a duty imposed. It seems to me that if the dealers in the Northwest are to get logs free of duty, there is an argument in favor of the Senator's position that rough lumber should come to the lumber mills of his State free.

Mr. COPELAND. I think the Senator is right about that. Of course, there has been no effort, and I am glad there has not been, on the part of the proponents of this plan, to impose a tax upon logs, and I give them credit for that. But I should like to have the exemption apply also to rough lumber. Sometimes the timbers are squared and partly prepared in Canada and then shipped into the United States, where the planing and grooving and further preparation are carried out in American institutions.

Before the Senator interrupted me I referred to a telegram which I received from Maj. H. Morton Jones, of North Tonawanda, N. Y. I may say, of course, that this particular correspondent of mine has no objection to the tariff upon planed and prepared lumber, but he does make this plea:

We want free rough lumber. This is raw material, and should be free. Suggest proposing amendment Jones bill exempting rough lumber from its provisions. This went through before because of the principle that it carried out regarding free raw material.

He asked me to oppose a tariff on rough lumber. I wish I knew more in detail the statistics as to the importations of rough lumber. I have asked the Tariff Commission for them, but it seems difficult to separate the figures, and they have not yet come to my hand. I ask the Senator from Washington whether he is advised as to the amount of the importations of rough lumber.

Mr. JONES. Mr. President, I am not advised as to the amounts in the different classes.

Mr. COPELAND. I wonder whether any other Senator has those figures. I have not been able to find where they have been broken down so as to show the importations of rough lumber.

Mr. KING. Mr. President, Mr. Whitcomb, of the Tariff Commission, stated over the phone a moment ago that the softwoods; that is, fir, and so forth, came in to the amount of 386,000,000 feet during the calendar year 1931. That was dutiable. Another grade of rough lumber, the character of which I did not get, not subject to duty, came in to the extent of 287,000,000 feet.

Mr. COPELAND. Of course, the latter figure is the figure covering logs and other articles which come in without the tariff.

It is a matter of concern to thousands of employees in my State that there should be the exemption for which I am pleading. A good many of our planing-mill owners in northern New York own forests in Canada, and they bring down the raw material from which the planed and prepared lumber is made.

The Congress has always taken the position that raw material should be free of duty. My distinguished and able friend the senior Senator from Indiana [Mr. WATSON], the greatest advocate of protection on the face of the earth, has always taken the position that raw material should be duty free, that there should be the encouragement to American enterprise afforded by the free importation of raw material, that American genius and labor may be devoted to the fabricating of that material, making it into a product which could be sold at a profit. His further argument is that, having prepared that material by high-priced American labor, having insisted on maintaining our standards of American living, it is right that there should be a tariff imposed, so that our labor might not have to compete with slave labor, or serf labor, or peasant labor, or low-priced labor of any sort, in the other parts of the world.

I am not proposing, then, any new tariff plan. I am proposing one which has been our long-established rule of procedure. I have never posed as a free trader. I have never subscribed to the doctrine that imposing a tariff for revenue was the only course we should pursue. I have believed always in protection, and dozens of times have argued here in favor of protection, and perhaps some may consider my tariff record as a bad one. The distinguished junior Senator from Louisiana [Mr. LOWE] the other night read my name as one of those who had voted for increases and against many decreases.

I am making a plea to the Senate for this principle, for which I myself have stood, that raw materials should be free, no matter how much we might tax the finished material, a principle which I am asking the Senate to abide by to-day.

I wish we had more accurate information as to the real significance of the proposal I make. It is not my fault that we have not that information at our disposal. But I doubt whether the interests of the Northwest would suffer by reason of the acceptance of the principle embodied in this amendment, which we have applied heretofore in all of our tariff legislation.

I ask, therefore, that the amendment which I have presented may be accepted by the Senate and that rough lumber be excluded from the tariff rate proposed by the pending amendment.

Does the Senator from Washington feel that it would be impossible for him to accept this suggestion?

Mr. JONES. Yes, Mr. President; I think we have gone far enough toward admitting raw materials when we allow logs to come in free of duty, and I hope the pending amendment will be defeated.

Mr. COPELAND. Mr. President, I am not going to detain the Senate by any extended remarks. I simply want to emphasize what this would mean. If rough lumber is taxed at the rate of \$3 a thousand, it will mean that mills in my State now employing many men will be closed, as factories, as manufacturing establishments all over the country have been closed one after the other during the past couple of years.

I hope the Senate may be impressed with the idea that we should continue a long-established practice of the Senate by exempting from taxation the raw materials which go into products made in the United States. I plead for free rough lumber.

The PRESIDING OFFICER (Mr. HEBERT in the chair). The question is on agreeing to the amendment to the committee amendment offered by the Senator from New York [Mr. COPELAND], on page 244, line 6, after the word "lumber," to strike out the word "rough."

Mr. COPELAND. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. HASTINGS (when his name was called). On this vote I have a pair with the senior Senator from Alabama [Mr. BLACK]. Not knowing how he would vote, I withhold my vote.

Mr. HATFIELD (when his name was called). On this vote I have a pair with the senior Senator from North Carolina [Mr. MORRISON]. Not knowing how he would vote, I withhold my vote.

Mr. JONES (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. SWANSON]. I transfer that pair to the senior Senator from Colorado [Mr. WATERMAN] and vote "nay."

Mr. THOMAS of Oklahoma (when his name was called). I have a pair with the senior Senator from Illinois [Mr. GLENN]. Not knowing how he would vote, I withhold my vote.

Mr. TOWNSEND (when his name was called). Making the same announcement as upon the previous vote, I withhold my vote.

Mr. TYDINGS (when his name was called). On this vote I have a pair with the senior Senator from Rhode Island [Mr. METCALF]. I understand if he were present he would vote "nay." If I were permitted to vote, I would vote "yea."

The roll call was concluded.

Mr. BANKHEAD. I have a general pair with the senior Senator from Vermont [Mr. DALE]. In his absence I withhold my vote.

Mr. BYRNES. I have a general pair with the junior Senator from Vermont [Mr. AUSTIN]. If present, that Senator would vote "nay." If permitted to vote, I would vote "yea."

Mr. HULL. I desire to announce the absence of my colleague the senior Senator from Tennessee [Mr. MCKELLAR], on account of illness. If present, he would vote "yea." Had he been present when the vote was cast on the oil and coal tariff proposals he would have voted in opposition to the imposition of such tariffs.

Mr. GLASS. I have a general pair with the senior Senator from Connecticut [Mr. BINGHAM]. In his necessary absence I withhold my vote.

Mr. HATFIELD. I transfer my general pair with the senior Senator from North Carolina [Mr. MORRISON] to the junior Senator from Iowa [Mr. DICKINSON] and vote "nay."

Mr. SHEPPARD. I wish to announce that the Senator from Arkansas [Mrs. CARAWAY], the Senator from Virginia [Mr. SWANSON], and the Senator from Illinois [Mr. LEWIS] are necessarily detained on official business.

I also wish to announce that the senior Senator from Alabama [Mr. BLACK] and the senior Senator from North Carolina [Mr. MORRISON] are necessarily out of the city.

The result was announced—yeas 26, nays 47, as follows:

YEAS—26

Barkley	Copeland	Logan	Smith
Blaine	George	Moses	Stephens
Brookhart	Harrison	Norris	Wagner
Bulkeley	Howell	Nye	Walsh, Mass.
Bulow	Hull	Robinson, Ark.	Wheeler
Cohen	King	Schall	
Coolidge	La Follette	Shipstead	

NAYS—47

Ashurst	Dill	Kean	Sheppard
Bailey	Fess	Kendrick	Shortridge
Barbour	Fletcher	Keyes	Smoot
Borah	Goldsborough	Long	Steiwer
Bratton	Gore	McGill	Thomas, Idaho
Broussard	Hale	McNary	Trammell
Capper	Hatfield	Neely	Vandenberg
Carey	Hawes	Oddie	Walcott
Connally	Hayden	Patterson	Walsh, Mont.
Costigan	Hebert	Pittman	Watson
Couzens	Johnson	Reed	White
Davis	Jones	Robinson, Ind.	

NOT VOTING—23

Austin	Cutting	Hastings	Swanson
Bankhead	Dale	Lewis	Thomas, Okla.
Bingham	Dickinson	McKellar	Townsend
Black	Frazier	Metcalf	Tydings
Byrnes	Glass	Morrison	Waterman
Caraway	Glenn	Norbeck	

So Mr. COPELAND's amendment to the amendment of the committee was rejected.

Mr. DILL. Mr. President, I shall not detain the Senate for any lengthy address upon this subject. When the subject of placing tariff rates in the tax bill was first discussed I believed that it should not contain tariff items. But the Finance Committee saw fit to bring into the Senate certain tariff items, and they are now here for action.

There are those in the Senate who have attempted to say that a vote for or against tariff items is a vote in accordance with or opposed to the policy of the Democratic Party. So far as I can determine, the Democratic Party has declared no policy on the subject of the tariff in this Congress except what is declared in the bill that went to the President some days ago and was vetoed. That was a bill which would have authorized the President to enter into negotiations with other countries for the purpose of reducing tariffs through reciprocity. It contains also a provision whereby the Tariff Commission would investigate and report to Congress as to tariff items. On that policy the Democrats of the House and the Democrats of the Senate were unanimous, and so it seems to me that we are confronted with the proposition that so far as this President is concerned we are to have a continuation of the high-tariff policy.

I come to-day to speak not for a special privilege for lumber but for equal treatment for lumber. I am not here to-day to ask any favors for the part of the country which

I represent but to ask that products of that section of the country shall not be discriminated against by the Congress.

I am not one of those who seek to place themselves above the demands and the interests of their State. I am not one of those who take the position that is the duty of Members of the Senate to leave conditions as they now are as a result of the Hawley-Smoot Tariff Act.

For many years this country has been the beneficiary of protection, but since the passage of the Hawley-Smoot Tariff Act it has become the victim of protection. Other countries have decided at last to use the weapon in the form of a tariff which this country has so long used against them. I have not myself investigated the facts, but I have read in responsible publications the statement that 70 other nations have raised their tariff rates in retaliation against the tariff rates imposed in the Hawley-Smoot Act.

I know that a tariff wall has been raised between the United States and Canada. I know that our neighbors on the north have used the Hawley-Smoot rates as an excuse for placing retaliatory rates upon the products of this country so high that they amount practically to an embargo.

I said a moment ago that other nations had decided to use the tariff weapon against us. They have done more than that. They have not only followed our example, they have bettered it. They have not stopped with simply levying tariff rates against us, they have proceeded to use quotas by which they determine the percentage of any American products that may come within their borders. They have used licenses; they have placed actual embargoes upon American products. Then, in addition to all that, they have decided to use depreciated currencies.

I say they are using depreciated currencies as a weapon because when England went off the gold standard, which her financial condition made necessary, the countries of northern Europe, whose financial condition was entirely sound, left the gold standard in order that they might trade with the British Empire. Thus there has been set up in the countries of northern Europe a system of depreciated currencies primarily for the purpose of trade, and not because of their financial conditions. What is the result? A depreciated currency is as perfect a tariff wall as can possibly be erected around any country, because the moment the products of a country such as ours reach the borders of a nation having depreciated currency their cost is translated into the foreign currency and the price is raised by exactly the amount of the depreciation.

The State of Washington produces more boxes of apples than any other State in this Union. I was in the apple section of the State, where apples are produced in greatest quantities, last fall when England and the countries of northern Europe went off the gold standard. During the few days I was there every evening when I would drive into one of those towns I was met with the information that orders from those European countries for several thousand boxes of apples had been canceled. Why? Because, owing to the depreciation of their currency amounting to 30 per cent, they could buy the apples from other countries at an actual cost of 60 cents a box less than they could buy them from this country. So thousands and thousands of boxes of apples that had been contracted for were not sold in

those markets simply because of the depreciated-currency weapon which those nations were using against us.

I listened to the Senator from Massachusetts the other day, and I listened to-day to his argument as to the quantity of lumber that goes out of our country compared with the quantity that comes in, and his argument was that because of that difference there should be no tariff on lumber. Mr. President, lumber is a heavy product; lumber is a product whose selling price is tremendously affected by the cost of transportation; and I want to remind the Senate now that 80 per cent of all lumber imports of the United States come from Canada and 95 per cent of the softwood imports come from Canada. All along our northern border we are practically in the position of having free trade in lumber, while the Canadians levy tremendous tariffs against us.

What are the facts? Last year we exported into Canada more than \$580,000,000 worth of products, and from them she collected under her new rates \$122,000,000 in revenue. She exported into this country \$402,000,000 of products, and for them we collected \$20,000,000 in revenue. In other words, in this tariff war Canada has erected her tariffs so high that she collects from four to five times as much revenue off our products than we collect off hers.

I sent to the Department of Commerce in order that I might secure the facts as to just what Canada has done in the way of retaliatory rates upon American products. I have found that as a result of the tariff we enacted in 1930 she has increased tremendously the rates on most of our products. On apples she has increased the rate from 90 cents a box of 20 per cent ad valorem, and has also increased her excise tax 3 per cent on oranges. The United States exports \$12,000,000 worth of oranges to Canada; they were free before she put up her retaliatory rates, while to-day they are taxed 35 cents per cubic foot with 3 per cent excise tax.

On canned peaches, with a duty of only \$2.50 per hundred before our last tariff bill was enacted, to-day the Canadian tariff is \$5 a hundred. Consequently the shipment of peaches from the State of Washington to western Canada is absolutely embargoed and prohibited. On a carload of peaches exported from my State into Canada the tariff duties collected there are \$1,057, while the value of the peaches is \$378. So that they have absolutely stopped our shipments there.

The duty on peas was raised from \$1.50 a hundred to \$3 a hundred; potatoes, which were free of duty before our last tariff act went into effect, now are required to pay a duty of 75 cents a bushel. The duty on veal was formerly \$6 a hundred, and now it is \$8 a hundred; the duty on mutton was \$6 and now it is \$8 a hundred; the duty on fresh pork was 3 cents a pound and now it is 5 cents a pound. In fact, all forms of pork, pork sides, sausage, have been raised from 3¼ to 5 cents. On barley, of which we export \$7,000,000 worth, the duty was raised from 31 cents to 52 cents per hundred; on wheat, of which we exported last year \$27,000,000 worth, the rate was raised from 20 cents to 50 cents a bushel.

I desire to insert here the following table, showing the retaliatory rates imposed by Canada.

Canada
IMPORT DUTIES AND OTHER FISCAL CHARGES LEVIED ON AMERICAN PRODUCTS IN PRINCIPAL FOREIGN MARKETS

	United States domestic exports		United States equivalent of foreign rate as of—		
	Number	Value	June 15, 1930	Apr. 7, 1932	
Apples, boxed.....	541,702	\$1,045,702	99 cents per 100 pounds.....	20 per cent ad valorem.....	Excise tax, 1 per cent, increased to 3 per cent Apr. 7, 1932.
Apricots, canned.....	1,308,187	140,388	\$2.50 per 100 pounds.....	\$5 per 100 pounds.....	Gross weight.
Grapefruit, boxes.....	254,797	1,040,820	\$1 per 100 pounds.....	\$1 per 100 pounds.....	Excise tax, 1 per cent, increased to 3 per cent Apr. 7, 1932.
Lemons.....do.....	198,922	981,796	Free.....	Free.....	Do.
Oranges.....do.....	3,628,124	12,520,577	do.....	35 cents per cubic foot.....	Do.
Pears, canned.....	1,337,191	165,328	\$2.50 per 100 pounds.....	\$5 per 100 pounds.....	Gross weight.
Pears, fresh.....pounds.....	23,647,512	1,195,026	50 cents per 100 pounds.....	20 per cent ad valorem.....	Excise tax, 1 per cent, increased to 3 per cent Apr. 7, 1932.
Peaches, canned.....do.....	8,492,138	763,051	\$2.50 per 100 pounds.....	\$5 per 100 pounds.....	Gross weight.
Pineapples, canned.....do.....	6,771,676	686,773	\$2.75 per 100 pounds.....	do.....	Do.
Prunes, dried.....do.....	18,371,637	1,374,432	55 cents per 100 pounds.....	\$1 per 100 pounds.....	Net weight.
Raisins.....do.....	32,318,211	1,608,905	\$3 per 100 pounds.....	\$4 per 100 pounds.....	Do.

Canada
IMPORT DUTIES AND OTHER FISCAL CHARGES LEVIED ON AMERICAN PRODUCTS IN PRINCIPAL FOREIGN MARKETS—continued

	United States domestic exports		United States equivalent of foreign rate as of—		
	Number	Value	June 15, 1930	Apr. 7, 1932	
Asparagus, canned.....	2,090,412	\$401,053	30 per cent ad valorem.....	30 per cent ad valorem.....	Excise tax, 1 per cent and sales tax, 4 per cent, increased to 5 and 6 per cent Apr. 7, 1932.
Onions.....bushels.....	238,061	252,756	do.....	30 per cent.....	Excise tax, 1 per cent, increased to 3 per cent Apr. 7, 1932.
Peas, canned.....pounds.....	2,851,927	817,644	\$1.50 per 100 pounds.....	\$3 per 100 pounds.....	Gross weight.
Potatoes.....bushels.....	1,208,291	1,200,801	Free.....	75 cents per 100 pounds.....	Net weight.
Bacon.....pounds.....	5,455,859	802,099	\$3.25 per 100 pounds.....	\$5 per 100 pounds.....	Excise tax, 1 per cent, increased to 3 per cent Apr. 7, 1932.
Beef, canned.....do.....	103,633	46,695	27½ per cent.....	35 per cent ad valorem.....	F. o. b. basis.
Beef and veal, fresh.....pounds.....	176,406	72,097	\$6 per 100 pounds.....	\$8 per 100 pounds.....	Net weight.
Beef and veal, cured.....pounds.....	904,487	111,887	do.....	\$6 per 100 pounds.....	Excise tax, 1 per cent, increased to 3 per cent Apr. 7, 1932.
Hams, cured.....do.....	8,817,226	1,436,062	\$3.25 per 100 pounds.....	\$5 per 100 pounds.....	Net weight.
Mutton, lamb.....barrels.....	403,120	98,675	\$6 per 100 pounds.....	\$8 per 100 pounds.....	Excise tax, 1 per cent, increased to 3 per cent Apr. 7, 1932.
Canned pork.....do.....	526,116	197,562	27½ per cent ad valorem.....	35 per cent ad valorem.....	F. o. b. basis.
Fresh pork.....pounds.....	523,233	76,245	\$3.50 per 100 pounds.....	\$5 per 100 pounds.....	Net weight.
Pickled pork.....do.....	11,053,656	1,334,563	\$3.25 per 100 pounds.....	do.....	Do.
Pork sides.....do.....	509,453	91,354	do.....	do.....	Do.
Sausage.....do.....	608,643	238,108	do.....	do.....	Do.
Canned meat.....do.....	244,292	50,837	27½ per cent ad valorem.....	35 per cent ad valorem.....	F. o. b. basis.
Barley.....bushels.....	10,708,996	7,363,521	31 cents per 100 pounds.....	52 cents per 100 pounds.....	Net weight.
Corn.....do.....	9,700,675	9,320,225	Free.....	Free.....	Excise tax, 1 per cent, increased to 3 per cent Apr. 7, 1932.
Wheat.....do.....	23,068,093	27,308,190	20 cents per 100 pounds.....	50 cents per 100 pounds.....	Do.
Tobacco.....pounds.....	13,863,180	3,384,445	Free.....	Free.....	Sales tax, 4 per cent, increased to 6 per cent Apr. 7, 1932.

I mention these items to show that, as a result of the Smoot-Hawley Tariff Act, retaliatory rates on the part of Canada have been placed upon our people to the extent of being practically an embargo on the products of the Northwest going into Canada. This year I am told the result will be that \$1,500,000 worth of fruit which is ordinarily sold to British Columbia will not be sold there, and consequently much of our fruit will have no market whatsoever.

Thus, under the tariff wall which exists, Canada has gradually placed her retaliatory tariffs against everything which we produce in the Northwest; and yet her lumber pours down into our section of the country almost without restriction at all. In a tariff war, then, we have no protection on this one front, namely, the lumber front, and we come here in this situation not asking a special privilege, but asking that we shall have the same kind of treatment that has been meted out to other industries.

I have listened to Senators to-day speak against this proposed tariff rate because they say it will burden the farmer; and yet in the Smoot-Hawley bill we put tariffs on farm products almost without restraint, and we are to have before us in this bill a proposal to enact a debenture plan in order to give the farmer the benefit of the tariff.

This talk about special privilege comes down to this: Are we going to leave the industries of a few sections of the country without protection or are we going to pass the tariff along all the way around. I believe in high tariff for all or high tariff for none.

If the Congress sees fit to leave the door wide open, so that foreign lumber may pour down into the States of Washington and Oregon, and yet our products are to be excluded because of tariffs that already exist, of course, our people will be helpless to resist; but I can say to you now, Mr. President, there are many people in the Far West to-day who, in the face of this situation seriously ask one another, whether, if this Government is not to protect its people and their industries, they would not be better off if they were a part of the Canadian Dominion? We find ourselves victims of a tariff policy that protects other commodities in this country; we find ourselves victims of retaliatory rates; and we find our own industries without protection.

Something was said the other day by the Senator from Oklahoma about the suffering of the people in the oil sections because of the lack of employment. On the North Pacific coast lies the great city of Seattle, with normally about 150,000 voters. I have had letter after letter within the last month saying, "We are feeding to-day 60,000 people." That is because there is no labor for the people there, due largely to the closing of our lumber mills and our shingle mills, all as a result of this free lumber that comes down

on us from Canada. I say to you, Mr. President, that the lumber industry of the Northwest, as a part of this country, is entitled to the same kind of treatment as has been meted out to the shoe factories in New England, as has been meted out to the woolen industry of New England, as has been meted out to the hat industry of the Atlantic coast, and as has been meted out to other industries all over America.

Mr. TYDINGS. Mr. President—

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Maryland?

Mr. DILL. I yield.

Mr. TYDINGS. The Senator stated that the Senator from Oklahoma said that there was great unemployment in the oil fields. I am not an oil man, but I should like to ask the Senator from Washington is it not a fact that the only way to bring about employment in the oil fields is to drill more wells? After a well is drilled, of course, and connected with a pipe line the employment around the oil well practically ceases; so the only way to make employment in the oil fields would be to drill more wells, and that would simply make a bad situation worse.

Mr. DILL. I am not here to argue the oil question; I am not fully informed about it; but I am here to say to the Senator when the mills of the Northwest are operating 20 per cent of full capacity and 40 per cent what they were operating in 1929, when we had the tariff bill before us, and that 80 per cent of the total imports of lumber come from Canada and 95 per cent of the softwood comes from Canada, and that the section of the country which I in part represent is the spearhead of that importation, that if we put on this import tax it would at least give our people the home market. We have almost sufficient lumber now cut by the mills and in the yards to supply the people of this country for the next year if we did not cut any at all. Because of that, and because of the competition, a tariff on lumber will not increase the price, but it will protect the market in this country for American lumber.

Senators talk about wanting to prevent a tariff on lumber because it will increase the cost of the building of homes. Sir, if you will take the tariffs off all other things that go into the building of homes, you will be in position then to ask us not to request a tariff on lumber; but the Congress has put a tariff upon cement; it has put a tariff upon asbestos; it has put a tariff upon practically everything, including lime, that goes into the building of homes; and yet the people of the Northwest are asked to continue to pay high prices for everything they buy, protected as other commodities are by high tariff rates, but that they themselves shall have no protection for a product which is the backbone of the economic life of the great Northwest.

I saw Senators stand upon this floor some days ago and heard them say that they acted only in the interest of the Nation; that they did not represent any special interest in their States. Well, sir, I speak not for others, but, as for myself, so long as the people of the State which I in part represent do me the honor to send me to this Chamber, I shall make it my chief business while I am here to represent them and the industries in which they are engaged and which they manage when they deserve such representation. The first duty of a Senator in this body, it seems to me, should be to look after the interests of those people whom he represents, when they are being unjustly and unfairly treated. If we came here and asked for a special privilege in favor of lumber when like protection is not given to other products, then, indeed, would we be asking the Congress to tax the Nation in our behalf, but when the Congress has placed taxes upon practically every other important product in America, with the few exceptions covered by the items in the pending bill before us to-day, we ask Congress to give us the same kind of treatment that is accorded the other sections of the country.

We may be a long way from the city of Washington, and we may be small in numbers in comparison to the population of the East and the Middle West, but we live in as fair a land as any over which this flag can float. We live in a land that looks to the future. We live in a land that faces the Orient and that faces the great Pacific, which will be the trade center of the world in the generations ahead of us. We come here representing those people, and we ask you to do for us in the product which is the backbone of the economic life of the north Pacific coast what you have done for long-staple cotton, what you have done for the hat industry in this country, what you have done for the shoe industry. I am sorry the Senator from Massachusetts [Mr. WALSH] is not here, but I notice in the reports on industry that the shoe business is the one business in this country that has increased 6 per cent over last year. Six per cent is a small increase, it is true, but it is an increase, while the lumber business of the Northwest has decreased nearly 50 per cent in the last year.

So I say we speak not to-day for a special privilege; we speak here for equal treatment. I say to my Democratic colleagues, because we are opposed to a system which we believe gives special privileges to the industries of the country, are we who are Democrats under this system to vote against protection to our people while all the rest of the country is given protection? There is no equal opportunity in that, Senators. That is discrimination, a discrimination that can not be defended or excused in a country like ours.

The fact of the matter is that the great Northwest has been caught in the tariff trap, which, on the one hand, makes it impossible for our people to ship our normal exports of products into Canada, but, on the other hand, leaves the gate wide open for Canada to export her lumber upon us. What justice is there in a system of tariff war whereby Canada collects \$122,000,000 from the products we send her and on an equal amount of products that come from Canada we collect but \$20,000,000?

I do not want to delay the Senate. I do not want to take an undue amount of time. I can only repeat that in asking you for a tariff on lumber, we ask to be placed on a basis of equality with other products in this country.

We are not satisfied with giving the farmer a tariff upon the products of which he exports tremendous quantities and imports none at all, but we are going to give him the debenture. We Democrats have been most anxious to do that; but when it comes to the lumberman, it is a terrible crime that we will put anything on lumber and protect the people who produce lumber, when we have protected the people of every other State and practically every other part of the country on the products which they produce.

Is this a country in which you will discriminate against those sections which do not have a majority representation in this body, or is this a country where the representatives in this Chamber will give equal treatment to every section

and every industry, whether it be represented by large numbers or only by a few?

Mr. ASHURST. Mr. President—

Mr. DILL. I yield to the Senator from Arizona.

Mr. ASHURST. I have listened with great interest to the able speech of the Senator; and he is, in my judgment, on sound Democratic ground. One of the greatest Democrats who ever lived uttered the statement that "The benefits and the burdens of government should rest equally upon all industries"—the benefits and the burdens.

Mr. DILL. Since the Senator speaks about my being on sound Democratic ground, I desire to call attention to the fact that there is not anything new or unusual about having a tariff on lumber, or on coal, or on oil, or on copper. They have been in tariff bills ever since we began to write important tariff bills.

The one tariff law in the history of this country that is held up as the ideal Democratic tariff bill of all history is the Walker tariff of 1846, drafted by Secretary Walker of Mississippi and signed by President Polk of Tennessee. That tariff bill contained a tariff on lumber. It contained a tariff on coal. It contained a tariff on oil. It contained a tariff on copper. Why? Because it was true to the Democratic principle that you should not discriminate against any one industry; but that if you put a tariff on one set of products, you should pass tariff protection around.

What right have you, as Senators in this body, by your votes to say that the people whom I represent in the great Northwest shall pay the increased price which a tariff necessarily adds to the cost of what they buy, but that upon the product of the dominant industry which we have and the products which we produce there shall be no tariff at all?

If that were a Democratic doctrine, I should be the first to denounce it; but the history of the Democratic Party shows that it has not been in the past, and it is not to-day the doctrine of men who understand the principle of equal treatment, who understand the principle of discriminating against none at all but giving all an equal opportunity.

Then in the tariff law of 1857, signed by President Buchanan and approved by Secretary of the Treasury Howell Cobb, of Georgia, we find tariffs upon oil and coal and lumber and copper.

In the revenue acts of 1861 and 1862, signed by President Lincoln and approved by Secretary Chase, we find tariffs on these products.

In the revenue act of 1865, signed by President Johnson, a Union Democrat of Tennessee, and approved by Secretary Fessenden, of Maine, we have another bill with a tariff on these products.

And so I might come on down through tariff legislation. Up until about 20 years ago we have always had a tariff on lumber. Why? Because the men in the House and Senate have said by their votes, "If you are going to put a tariff upon the products of one set of our people, the rest of the people of this country are entitled to equal treatment."

So I stand here to-day and plead that if New England is to have protection upon what she produces, if the South is to have the protection she wants, and if the Middle West is to have protection upon the products that are the backbone of her economic life, I beg you not to discriminate against those of us who live in the Far Northwest, who may be few in numbers, but who have our rights, we believe, under this country's Government, who are entitled, we believe, to the same kind of treatment that you mete out to other sections of the country.

I ask unanimous consent to insert in my remarks certain explanatory tables.

The VICE PRESIDENT. Without objection, that order will be made.

COMMENTS ON PRESIDENT HOOVER'S LETTER

Mr. HARRISON. Mr. President, I desire to divert the attention of the Senate from the lumber tariff for just a moment.

We have heard much of efficiency and economy. On yesterday the President issued a letter to a Mr. Richard S.

Parker, said to be president of the American Society of Civil Engineers, of New York, giving his views at length upon the relief measures and against bond issues.

We have been very generous to the White House in making appropriations for an increased personnel up there. I believe other Presidents have had 1, 2, and 3 secretaries; but we were generous to Mr. Hoover and we have given him 4 secretaries. It is strange, however, that there is not more efficiency up there than there is.

There is no such man as Richard S. Parker. The letter is addressed to Mr. Parker as president of the American Society of Civil Engineers, New York; but no such man is president of the American Society of Civil Engineers in New York. Where the President got his letter from or how the mistake was made, nobody knows. It would seem that the President, being an engineer, ought to keep better tab on who is the president of a great organization like the American Society of Civil Engineers. Mr. Richard S. Parker, however, is not the president. Whether somebody wrote to the President and asked his views on this question and signed his name as Richard S. Parker, Mr. Parker not being president of that great organization, we know not; but Mr. Herbert S. Crocker, of Denver, Colo., seems to be president of the American Society of Civil Engineers. There is some inefficiency somewhere. Somebody has made a mistake.

Mr. JOHNSON. Mr. President, may I ask the Senator from Mississippi who is the mysterious Mr. Parker?

Mr. HARRISON. Nobody seems to know whether there is such a man as Richard S. Parker.

Mr. JOHNSON. Oh, there must be. I was just curious to know who Mr. Richard S. Parker is; that is all.

Mr. HARRISON. We have not been able to find out who Mr. Richard S. Parker is. Where the idea came from, nobody knows.

REVENUE AND TAXATION

The Senate resumed the consideration of the bill (H. R. 10326) to provide revenue, equalize taxation, and for other purposes.

Mr. LEWIS. Mr. President, I did not rise at this particular moment to address myself to those vanishing ghosts to whom the Senator from Mississippi [Mr. HARRISON] has alluded, and as to whom the Senator from California [Mr. JOHNSON] has sought definite information.

I myself have doubted the propriety of these "letters" which from time to time go forth from the heads of Government addressed to some incidental person living, or to some mythical, imagined authority, to communicate through that indirect, subterranean method an insinuation or intimation against the Congress of the United States.

When this Government was established, and from that time on to the present administration, it had been the course of a regulated authority for the President of the United States, if he wished to communicate with this body, to do so by direct communication. This would in terms disclose respect to Congress, and expecting, as he might, a proper and due obedience to him. The eminent Senator from Oklahoma [Mr. GORE] adds the expression "assuming responsibility for his communication." I add to that the facts that we then do take the full responsibility for our subsequent action.

Mr. President, I do not understand this system of indirect, circumlocutory communication through hearsay evidence with the tribunal of the United States Senate.

Mr. LONG. Mr. President, may I ask the Senator a question?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Louisiana?

Mr. LEWIS. Yes.

Mr. LONG. If the President knows of no one who wants the President's opinion, what harm can there be in his getting up some name so as to have it appear that there is somebody who wants it?

Mr. LEWIS. I can not exactly answer the Senator unless I quote him the famous line of the bard which expresses it:

What's in a name? That which we call a rose
By any other name would smell as sweet.

[Laughter.]

But, Mr. President, what I wish to declaim against as a mere American citizen proud of his citizenship and one now honored for the second time with membership in this body from a great State, representative of an American people, is that custom which has stolen in and become the habit of those in power of addressing communications, sometimes to a bankers' committee somewhere in our land, sometimes to a personal friend in the State of California or New York, sometimes to the president of an association who we have just been informed has no existence, and in such communication setting forth in long essay and in most elaborate and perplexing discussion conjured problems feared to arise, thus endeavoring either to admonish the Congress to halt in any undertaking or to intimidate Congress against proposed action set forth in some projected program.

Mr. President, if this course of public communication shall be the continuing program of the Government officials, there will be no continuing need of the provision of the Constitution which calls on the President of the United States to address the Congress at appropriate times and to set forth what he feels is necessary to be done for the welfare of the Nation. A President may address himself to a neighbor near by him; or, after the order of the new form of journalism, by "hanging the bell on the cat." The practice can produce great evils and its custom can create contempt for the legislative body.

When this letter appears—it appears for the first time in the public press. It seems to have been prepared by some one for the President—and to come forth at this particular time. It is at the time immediately after there is published in the public papers of America that two sources in the House of Representatives, one presumably represented by what are called the Democrats, one by what are called the Republicans, have under contemplation a system of relief to the American people through the issuing of securities of the Government and floating them before the world on their values and their merits.

At the same time there went forth from the United States Senate a statement that a committee of Members had visited the President and, through the voice of one designated as the leader of the minority in the Senate, presented to the President the view of those gentlemen speaking for the minority. On a day following, I might add, from the majority section of the Senate, the Republicans, there were extended through the two voices representing them, giving their views similarly to that of the House as to the form of necessary relief, namely, the issuing of securities of the Government, obtaining money upon them, and having it applied to relief of States, cities, and communities for the care and preservation of its needy and oppressed citizens. All this in such manner as the laws of the country justify and the needs of our fellow citizens command.

I dare say here in my place that if the President of the United States had not said to these gentlemen that the method and system proposed in some of the forms as suggested met with his approval, and giving to the whole subject his announced acquiescence if the amounts proposed were reduced, there would not have gone farther a single step by House or Senate to the end that was promised in the issuing of these Government securities in behalf of the American needs as they are now expressed.

I ask this: What particular good does the distinguished President of the United States fancy he and his great office achieved by first holding out the hope of refuge to those vast masses and millions who, standing paralyzed in their need and palsied in their hopes, are turning their eyes to the White House in anxiety and to the bodies of the Congress in their doleful and depressed cry for relief, then being lifted up to the light of realization, then their soul beam-

ing in joy, are suddenly by the President cast down and denied their relief? These patient, oppressed people are thus encouraged by the President of the United States in person, and while this is pending there breaks to their vision and strikes on the ears of the Senate and to the eyes of the civilized world the veto of the President of the United States of his own declaration in private letter to an assumed friend of mysterious existence.

The President addresses no message to the Congress, those who, it was understood, were calculating this measure of relief. He addresses no word of warning to the Senate against the measure. He tenders no admonition or advice to his legislative colleagues. He seeks in no wise to aid us. He rather presumes to hold up to the world his condemnation of any system proposed by Congress that it might go out to the country that this combination of ignorance of statesmanship and want of patriotism called the United States Congress has been trifling with the people. That they have presented a theory of relief which to the President seems so senseless and in its execution so ridiculous that he writes the humblest man in the country to give the design his contempt and disdain, rather than to dignify his opposition by sending a message to the Congress of the United States. The author of the project ought, in message to the Congress of his country, to have exposed its faults, if it had any; proposed its remedies, if he sought any, or if he cared to treat with dignity the body of Congress which was now cooperating with him in every form that dignity of manhood and decency of official life commanded.

The official conduct of writing these letters to give the public to understand in what contempt the President holds the Congress and how he disdains any suggestion of remedy from them should come to the end. The President should be called upon to realize and confess that—he may realize that now—at all the time of the session we are seeking to cooperate with him in every form that makes for harmony in the dealings between the agencies of the Government, we being a Union which avoids every form of partisanship. It is wrong for the President to take this form or method of circular action, that compels us to respond against his assault and justify ourselves in the discharge of our duties, which unconsciously on our part may dishonor him in the accusation that he has done that which neither the dignity of his office can license nor the honor of his position justify.

Mr. President, if the President of the United States did not feel that this system which was proposed had any merit in it at the time it was presented to him and which he thus approved—as we show from the record—if, instead of saying, "I differ merely as to the method; I am doubtful as to a part of it, but will recommend it in modified form and give it my approval," he had said, "It can not meet my approval for the lack of a virtue" which he felt it wanted, we would not have gotten to where we would have promised this great class, I may say this army, sir, of the miserable hopefuls. We would not have played the trick upon their fancy, we would not have deluded their expectations, nor would we have been put by the President before the world at large, before the civilized parliaments of earth, as being a body of legislators who, having held out the theme of hope to this people, approved by the President, then denounced and held up as unworthy of consideration, of even conference, by the President—choosing as the avenue of his communication the humblest man—and now the unknown and hidden, rather than descend and condescend to recognizing the contemptible Congress of the United States—sirs, I ask, are we not the equal of the President in government for the conduct of the affairs of our country?

Mr. President, I have been one of those—and I commend to my honorable colleagues who are generous enough to hear me that there are no exceptions in my course—who have offered complete cooperation with whatever the President desired. There has been no time when the Congress of the United States, or any Member of it, has addressed any communication to outside sources for the purpose of having it published, that might reflect on the President, nor have we cast upon the splendid party with which he is aligned any reflection. Therefore I am at a loss to under-

stand what has incited the President to this particular course, which, with some parallels in later days, has no precedent in the history of governmental propriety, it has none in the parallels of honest statesmanship. Mr. President, I leave this portion of my discussion to its own recommendation. I proceed to the question which is being discussed and presented by Senators around us, designated as the tariff. While I bemoan the attitude of the President of the United States on the theme I referred to, I can not bring myself to punish the assault he makes upon the dignity of this body and the contumacy he casts upon the membership of the Congress—by obstructing whatever course he would feel was necessary for the welfare of the whole country, particularly at an hour when its peril is so great and its call and demand are so heavy as should call for statesmanship without partisanship—and obedience without stint.

I would like to bring to the attention of my colleagues that we are forgetting that we are in a completely new day. This is not the era of the tariff when there was an issue between one set of gentlemen called Democrats, to whom was ascribed the theory of ancient Mills and Cobden of the English Government, which we speak of as free trade. Nor are we in that other era, when there was created the theory of government pursued by Disraeli and the English Government, after having been recommended by Hamilton of America, called protection, advocated more completely in the American policy by Henry Clay.

We have passed beyond the time when these particular differences, as first expressed from the statesmanship of the older school, can be given application. In the language of the ancient Scripture, we can exclaim:

And behold, I saw a new earth.

In every tariff measure, sir, which you have seen since you have lived, and I speak with deference to the great and distinguished Senator who now presides [Mr. Moses], and, every Senator who does me the honor to hear me, including my eminent friend and authority on the tariff, the chairman of the Committee on Finance, the senior Senator from Utah [Mr. Smoot], through all the days in which were created these measures, we were a debtor nation. Every tariff then had to be adjusted upon the basis of such preparation of our instrumentalities and commerce as guarded us against those States which, putting us first in debt, then could invade us by the unlimited form of shipments to our country of their produce, and to that extent shut off the possibilities of our own manufactures.

To-day the conditions are reversed. To-day, while gentlemen are discussing tariff, let it not be forgotten that we are now for the first time under any tariff bill that was ever created or presumed to be created in America, the first creditor nation of the earth. Taking altogether the war debts, the commercial obligations, and debts incurred in individual instances from the different parts of the world, including Asia, South and Central America, and the seven great countries of Europe, there is due to this country, including interest upon the debts, \$50,000,000,000.

It will readily be seen, Mr. President, that therefore our method and course in respect to levying duties must be shaped with two objects, one to obtain revenue to maintain the instrumentalities and machinery of the Government, the other to even opportunities of competition between our country and the various countries of the world, and that of "the world lands with our own."

Fortunately for us, sir, we are in a position the like of which, having not previously experienced, we can only now experiment, but which test promises us something of complete favor and advantage. You distinguished Members of the Senate whose eyes I see flash great interest for your agricultural section, you will note that the question for you has become very problematic, and you see in some new process some new relief. Therefore I ask, Have we not now reached the point that the Tariff Commission, acting as an agency for the Government, could ascertain the need which America has for any form of product that our Nation does not itself produce, and then, sir, with these duly listed, contract for them from those countries which are in debt to us?

This system will give them credit upon the debts they owe us for the materials which have been proportionately chosen to be used in our land to the extent wherein we do not ourselves produce sufficiently. In that manner we enable our foreign debtors to pay their debts in proportion, and thus give them credit, while in the meantime we lose nothing as against them in competition, sirs. In addition to this we enable these debtor nations to spend their money in purchasing from us such necessities as we have which they need and can not on their own land produce. We bring trade to the United States.

Therefore it will be seen that instead of the old system which we speak of as retaliatory tariff in the form of protection or that which is designated as free trade, we are for the first time upon the basis of a mere exchange with the power of doing it upon the simple treaties of the ancient old line, familiar to us in our old English history:

A this for that; or
A tit for tat.

A system is here expressed by which the question for us now is, on each of the articles presented for consideration, what course should best be taken for the due preservation of them and justice to the others? Let us abandon the theory that in the past we have had certain political creeds or certain political party doctrines which out of a consistency that Emerson well describes as "a hobgoblin of little minds"—that we still cling merely through that system of habit. Let us turn our attention to consider each of these items as best could be in order that we assure advantage to the interest of all those who are concerned.

Mr. President, may I at this point bring to the attention of my colleagues what I feel is a very serious subject and one necessary to be gravely considered. We can not have tariffs of any nature between ourselves and foreign countries without waking some form of retaliation for the attempt to continue the system upon the old prices as they existed at the date the tariff measures were constructed.

The time has now come, Mr. President, as I see it, expressing very deference to my honorable colleagues in any difference that they may have, when America must now be courageous enough, looking toward the peace and harmony of the nations of the world, seeking their friendship for ourselves, to announce that the time is now when all of the debts of those foreign lands should be adjusted in their partial payment now due on the prices of the present day, and assess the products of those lands with which they must pay their obligations, not upon the prices as they were adjusted at the time of the readjustment of the obligations, for if these latter shall continue in their very high prices it will be impossible for any of those lands in this era to rise, survive, and prosper.

By the system we now suggest, Germany will be able to designate her payments and comply with them as they have been laid out in the contract to the full quantity, but upon the basis of the prices which obtain for her materials in the present era of world status. We of the United States would thus behold her obtaining the benefit of a policy generous merely because it is right in the ordinary course of the exchange of affairs concerning which the eminent gentlemen around us have presented their views on the tariff as the basis of their point of view, however differing it might be from any expressed in the past.

Then, sir, let those nations owing us likewise understand from us that the partial payments due us are likewise to be treated upon the same basis of the reductions of the prices of their materials from which they must earn or through which they must pay just exactly as we are compelled to do. We are to consider the reductions in the prices of our materials, the small pay obtained by those who work with their hands, the little that is being obtained as a result of their venture; and as we seek to qualify, modulate, and apply our conditions to this new, though unhappy, situation we should consult the world in the same spirit and lead it on our own behalf, not to a canceling of debts, not to a violation of obligations, but to a treatment of them on such basis as

the new change of affairs would justify. By this we may retain their friendship, hold their confidence, and continue in having those who would patronize us wherever opportunity would afford, in that kindness of attitude rather than one of constant retaliation and sullen anger and national revenge.

Mr. SMOOT. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Utah?

Mr. LEWIS. With pleasure.

Mr. SMOOT. I would like to learn, if I may, just how far the Senator would like to go in the plan he just mentioned. Let us take, for instance, Italy. We made a settlement with her, by which she agreed to pay us between eighteen and nineteen cents on the dollar. Not only that but we carried it over a period of years covering many, many years.

Mr. KING. Seventy years.

Mr. SMOOT. I think it is 72, but I was not going to mention the exact number.

Mr. LEWIS. I am not unacquainted with that matter. I am waiting for the Senator to proceed.

Mr. SMOOT. Do I understand the Senator to mean that after giving or forgiving Italy 82 per cent of the actual money that we advanced to her during the war, we now ought to say to Italy, "The goods that you are now making have decreased, from the period at which the obligation was made, 50 per cent, and therefore instead of paying us 18 cents, you may pay us but 9 cents?"

Mr. LEWIS. The Senator does not seem to see, doubtless due perchance to my misfortune in not having conveyed my thought, that I am asking that the payments be made at the present time, and would be in themselves regulated to meet the less prices upon them not as relief but as proportionate payment to the whole; otherwise, as I said, no cancellation, no wiping out, but it is all to be paid. But we give them a chance to pay such proportion of the payment due now as the conditions of their prices permit, leaving the remainder due to be paid under such rising conditions as we hope will come to all of their lands, and likewise our own.

Mr. SMOOT. Of course, we gave them long, long years, and we gave them in this settlement the right to have an extension if they could not meet the yearly payments. I do not want the Senator to think I am going to enter into any question of discussion of whether the settlements were just or whether they were overburdensome. I do not, of course, think they were the latter. I think we were very fair when we said to France, "You can pay us back in 40 years at so much a year, and we will forgive you one-half of all the actual cash we advanced to you during the war period, not only of what we advanced before we were in the war but of every dollar that you borrowed during the war and secured from us by way of loans."

What I want to know is whether the Senator really meant, by the words that impress me which he uttered, that we should further approve of cancellations on account of the decrease in the value of products, and that we are to take those decreases and credit the accounts not by the prices of to-day but what they were at the time we made the settlement. I may be mistaken in the idea.

Mr. LEWIS. I am glad the Senator brought out any doubt he had, as I prefer to make it clear. I insist, with reductions in everything they produce and a certain quantity of money due at a certain time, which can not be paid unless they can get something for their products to pay it, that where the conditions are such they can not possibly raise it to the exact date when it is due, the proportion be accepted as a temporary alleviation to-day, because of the lessening of their prices, and leaving that still due to be paid at the first opportunity under conditions having due regard for their conditions as well as our own.

Mr. SMOOT. That is exactly what we did in the settlement with France and all other countries. I do not think there is a nation on the globe that has ever treated her creditors as well as the United States has treated hers, and I am proud of it.

Mr. LEWIS. I belong to the other thought. I feel that the United States went to an extent in those settlements unjustified. We lost sight of our rights to the money, we yielded to those who had no right to make the command, and instead of receiving gratitude and appreciation from them, their vengeance has thrust us through with every spear of retaliation until the body of our great country is bearing still the scars of their blades.

Mr. SMOOT. I agree with every word the Senator has uttered. I had reference to our leniency in the settlements. I happened to be a member of the War Debt Settlement Commission. On the basis that we settled, we tried from every known source in the world to find out the actual financial condition of each country, and simply to ask each one to pay what its financial ability at that time would enable it to pay.

Mr. LEWIS. I would like to make clear to the particular Senator, conscious as I am of the great activity he has given—and may I add, meaning no adulation to him—the valued study in the establishment of these different matters of tariff and international debts. May I inform the Senator that I bore some small relation to the matter. I was in France when the officers of the French Government had assembled there to report upon the splendid work of the Senator and his colleagues here. When Baldwin, for Britain, reached England I was serving in a minor capacity at London. I realize that this Nation in those days, according to the prices of those days, extended a generosity which I felt held no parallel in the history of the nations of the world.

But I do not want to disguise from the particular Senator to whom I am speaking now that I have a motive behind my proposition which I wish to clarify to him and to the Senate.

If we can, with justice to those nations, so temporarily reduce the amount of the payment which is due at this time and immediately, according to the prices which they receive, we enable them to take the remainder of the money which they have, exempt them from complete exhaustion, and spend it with the United States. If we can but give them the opportunity to pay us, according to prices now, such proportion and accept the proportion, the remaining sum of money which they may obtain and which I flatter my countrymen we will get in payment for new products, we thus give to our commerce a new life of shipment to export and revive the trade that was languishing and died—a death that has left us in the unhappy condition which the honorable Senator, the chairman of the Committee on Finance, has himself so well pictured as our commercial condition when he presented this revenue bill to the Senate.

Mr. SMOOT. In other words, the Senator feels that a partial payment on their part under the conditions that exist in those countries to-day would be a further favor, but with no idea that there should be a further extension of that favor or that the amounts should be forgiven, but should be paid at a later date?

Mr. LEWIS. Completely, I feel that the money which we allow them to hold and do not require them to pay upon a vast debt will be extended to us in America and enable them to purchase from us the necessities which they command and need for their people, through which we will obtain the benefits in a renewed and revived commerce of the United States.

I go one step farther. I feel that such a course would tend to awaken a new form of harmony, something of a new communion, of a reviving attitude of brotherhood so far as nations can possibly construct it and in theory maintain it. It is because of that, among other things, and hoping for the least expenditure on armaments and the least as to armies, recognizing the necessity of the national defense, that I feel that all these reliefs would be greatly contributed to and largely developed in our favor if what I suggest could be carried out with propriety to all nations and with practicability to our people.

Mr. KING. Mr. President—

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Utah?

Mr. LEWIS. I yield to the junior Senator from Utah.

Mr. KING. I ask my learned friend if he perceives anything in the attitude of the American people to-day, particularly as their attitude is manifested in the Senate of the United States, that looks with any degree of tolerance upon the suggestion which he has made? In other words, does he not find a reactionary spirit upon the part of Congress and in many of the American people under the influence of which we are determined to erect barriers prohibitive of foreign trade and commerce? In 1918, 1919, 1920, and 1921 our foreign commerce was approximately from \$12,000,000,000 to \$14,000,000,000. For the last calendar year it scarcely aggregated \$5,000,000,000, and for this calendar year it will perhaps be less than \$4,000,000,000.

Has not the Senator seen manifested here in the Senate a spirit hostile to trade and commerce? Has he not found here a spirit which prompts us to pass measures that will further restrict our exports, as well as our imports, and ultimately eventuate in the erection of a Chinese wall around the United States, so that we will have but little if any trade and commerce with the rest of the world?

The Senator now is pleading for a policy which ought to commend itself to humanitarians and to statesmen and to those who believe in some sort of world solidarity, but does not the Senator find in the United States and in the Senate something that repels the suggestion which he makes and a sentiment in favor of locking the United States in a sort of water-tight compartment?

Mr. LEWIS. Mr. President, I conceive in my acquaintance no gentleman who has appraised with more accuracy the attitude of foreign nations than has my eminent friend the junior Senator from Utah. His late travels through Russia, extending up to the Holy Land, and his touch with the great commercial nations of Europe lately, qualify him to a remarkable degree, to an extent far surpassing that which blesses others of us; yet I can answer him by saying that it is my judgment that the conditions to which he alludes were really brought about by the foreign nations themselves; and I now will give him the schedule.

At the close of the World War there came a time when we could demand some payment of the debts they owed us. We were surprised, and I am sure our citizens were horrified, that eminent statesmen of foreign lands would arise in their public places and denounce us as though we were highway robbers; that we had become of late brigands on the road of civilization. In one of the parliaments we were designated as "Uncle Shylock" because of the mere request, and in another it was said that we were seeking to rob their government; that we had come into the cause of the war in order to make money of them. To the young generation in those nations we were held up as unworthy of the respect of mankind and of those who would give voice to that Christian thought that my eminent friend, Senator KING, so aptly describes.

When this occurred, Mr. President, and there was disclosed this attitude and this unhappy temper of enmity to those who had been so generous to them—so generous as not only to afford them our treasure without limit but contributing the streams of blood of our dying soldiers—falling upon distant fields in their behalf, all to their service and rescue—this conduct of ingratitude naturally awakened some sentiment of response, which took the form of retaliation on the part of Americans, and it may be that the courses they adopted in the forms of legislation, to which my eminent friend alludes, took on some atmosphere of the expression of that natural resentment, and may have gone so far as to have worked the result which my eminent Senator fears he sees in the present impending condition of our Nation. But this much I add, that if now we can disclose to the people of these nations, to their younger generations who have come forth since the World War, no longer tinged with the hate that seemed to embitter and curdle the spirit of their ancestors, we will awaken in these a spirit of approval, one of kindly cooperation and, to the extent that it can be aroused anew, that which is due us of some legitimate cooperation in the friendships of mankind and the justice of nations.

Mr. President, I have occupied more time than was my intent. I wanted to throw forth two suggestions. One was what I thought was the unfair and indefensible attitude of the President of the United States to his colleagues who had been serving with him so faithfully and without the slightest dissent of party politics or any form, sir, of opposition whenever he sought their cooperation. I gave an expression of the thing which I felt that the letter or promulgation that went abroad to the world was addressed to some private character who seems to be so insignificant or unknown to humanity as not to be located in a directory of any civilized community, and that nobody at this time can through any form of investigation identify. But, apart from all that, sir, it seems to me that the President sought to mantle most completely, may I say, the contempt and the attitude of infinite smallness he bore to our body by choosing the least and most contemptible source to which to express his feeling of design against anything which we were contemplating to perform.

Having expressed that view, sir, I then moved on to bring to the attention of my honorable colleagues the final thought. It is, sir, this: Eminent gentlemen here may discuss the matter of the different schedules of the political tariff; I am not qualified to do so. I belong to a school inwardly that feels that the tariff question is a business one in this era and should be regulated as rates of the water and light companies are regulated, on the one hand, and freight rates on the other; all according to the subject matter under consideration. I observe one of my brother colleagues who served in the House with me. He will not forget that from the State of Texas there was a lovely gentleman by the name of Kleberg. With him was a colonel, who represented the San Antonio district. May I be so bold, sir, as to say that you, Mr. Vice President, in your genial service, filled with great and often brilliant achievements in your service in the other House, you will perhaps recall the colonel who represented the San Antonio district.

Mr. KING. It was Mr. Slayden.

Mr. LEWIS. I thank the Senator; his name was Slayden. They had not been able to agree to a tariff on wool. Colonel Slayden received an inflaming letter, which read:

You are ruining yourself; you will never be elected again because of your refusal to vote for a tariff on wool; the sheepmen are done with you. I am your old friend and advising you of the danger you have put yourself in.

(Signed) EZRA WILLIAMS.

I think Representative Kleberg and the colonel were greatly disturbed and came before us in the committee, and their perturbation was so great that all of us felt keenly that they should suffer so much in mind. But in a few minutes he came back before us radiant in countenance, and he held in his hand a telegram which read:

Don't pay no attention to my letter on the tariff. I just sold my sheep.

EZRA WILLIAMS.

[Laughter.]

The tariff had become so personal that I think of the shade of poor Hancock walking the avenues of life throughout our land and recalling that in the day when he ran for the Presidency he had uttered the expression and the theory that the tariff was a "local issue," which buried him in the estimate of my eminent friend and brother from Pennsylvania [Mr. DAVIS] and of all those who believed the tariff was a national construction. Now as we look upon the situation to-day and gather it as it has manifested itself throughout this debate we are compelled to salute the ghost of this eminent dead and recall him as a wondrous philosopher.

Mr. President, I conclude; I have threatened to do so; I shall now carry out the threat. I feel in this discussion my eminent friends on both sides of this issue are compelled to surrender any conviction of tariff doctrines to the purpose that they are called on to provide revenue to accomplish that of which we hear so much, namely, to "balance the Budget."

I know Senators have heard me allude to the expression. I have been fascinated by it; it has been a creative invention of late; it has served all purposes; it has established a

virtue of statesmanship in the men who pronounce themselves on the public rostrum as favoring "the balancing of the Budget," as it has brought condemnation upon the heads of those who decline to favor it. Some system may be suggested to do what is called "balancing the Budget," but neither of the eminent gentlemen, the one who may be hoping for the bright glory of its fulfillment and the other, who may fear the disobedience of it, knows what the "balancing of a budget is." Neither knows what the "Budget" has in it. Neither knows what would balance it. Why? Because the President has not at any time sent any correct estimates to the Houses of Congress. Not that he would mislead them, but those who give him counsel and advice which he is called on to follow did mislead him. There was never a time when there was an accurate figure by which they would know what is in the Budget. There never was a time when they could ever know what particular figures would balance the Budget. Not only has the Budget remained unbalanced, but the administration continues unbalanced.

That unhappy unbalancing, may it please you, sir, has put us in such a state of general uncertainty that we are now hanging, as it were, upon branches that sway to and fro with the winds of those who lift up their voices and cry out with melodious and mellifluous expression, "Balance the Budget." [Laughter.]

Mr. President, I realize that as fast as we do one thing there is a demand that we should do another. May I be pardoned, sir, for a personal reference? During the World War, as I was bringing home some soldiers of my command, I was torpedoed in the sea. With others accompanying me, I was put in a sanitarium. Next door was a sanitarium which seemingly had been that of a specialist for lung disease. It happened that some distinguished statesman of Switzerland had died from a lung malady in that sanitarium, which seemed to have very much disturbed the reputation of the sanitarium. It was taunted very generally upon the failure of the cure, when the next day there came out a large placard in front of the building with the following complete excuse and exoneration:

It was not the cough that carried him off,
But the coffin they carried him off in.

[Laughter.]

Unfortunately for this administration, I desire to say that they have had a great many men who have gone up and down this country "coughing out" and "coughing up" their different forms of malediction against everybody who could not agree with anything that they thought would prosper them politically; I desire to tell them it is not their cough that is going to carry them on, it is their political coffin they are carrying themselves off in. [Laughter.]

Mr. President, despite that attitude of contentious mind, I say to my colleagues we should stand before the country now with a willingness to take the measure the President of the United States recommends to us—not that we agree with it—not that we accept the suggestion of wisdom—profoundly as it is uttered—that surrounds it—but because the President has held up to American citizenship that his colleagues in service—the Congress—are of such obstinate character, and so lacking in patriotism in the service of their country, that they obstruct and impede every effort he makes that looks to the common object of the welfare of their country called the balancing of the Budget.

Therefore we accept the recommendation coming directly from him or from his agents of the Treasury who come before this Finance Committee, hard worked, struggling in order to achieve its object, and representing the President's policy, setting forth that which is embodied in the bill. We undertake to carry it out on the theory that the President sends forth to the world and to his Nation that this particular system he proposes will achieve the object.

In this way, sir, we serve our purpose. We also avoid the charge that either for partisan purposes or personal gain we in anywise obstruct anything the President undertakes, and by our support of this measure we prove again the patriotism of this body and that of our colleagues, who without partisanship in any form or in any way have at all

times yielded to that which they felt would serve the need of our country.

Mr. CUTTING. Mr. President—

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from New Mexico?

Mr. LEWIS. Certainly.

Mr. CUTTING. The Senator was a distinguished Member of this body during the World War. Does he remember that all other considerations were at that time sacrificed to balancing the Budget? Does he remember any such propaganda at the time of any national crisis?

Mr. LEWIS. I reply to the eminent Senator from New Mexico by saying it is true I was a Member of this body. I can not certify that I was what he delights me with the thought of, that I was a "distinguished Member"; but, coming from such an eminent source, I accept the appellation with a sense of gratitude. [Laughter.] Nevertheless, I agree with my friend, Senator CUTTING, that during those days all these around us who served in those critical hours will accede, and all admit, that each occasion called for appropriate action. There never was at any time in my public career, either in the House or here in the Senate, that I can recall a specific demand upon the body that notwithstanding however high we had built this mountain of indebtedness, Ossa upon Pelion, we should "balance it" by levying taxes upon the people in every way, wherever possible, sufficiently to drain them even to the blood of their existence, necessary to "balance" that great heap to the evil of the peak to which it has reached.

I never heard the expression before "balancing the Budget," applicable to ourselves. It was an English doctrine, and a method in England oftentimes used; and, of course, I can understand that there are those in our Government who, from long service in England, and services to that country as well as residence and private and financial engagements, would still have a preference for these expressions on behalf of England as coming from English statesmanship. While I can not myself subscribe to the doctrine of their superiority, I can sympathize with the gentleman who feels he will gain the approval in far-off distances of old friends with whom he was commingled and allied, financially and personally. [Laughter.] This to be done by adopting whatever catalogue of expression they have in their statesmanship as a proof of its superiority over the obnoxious methods of American statesmanship.

As an American I hark back to where we were and I remain where I am. That which in America is necessary for her people I desire executed according to the American system.

Mr. President, I appreciate the courtesy of the Senate in allowing me to wander so far afield from the first thought that was my only object to express. I express to the Senate my thanks and say that I feel that by carrying out our duties in the best manner we can, as directed by the President, we shall be able to defend ourselves against the charge of abandoning our party, as we have done in order to serve the President and his policies, and we will prevent the President from writing another letter to the wraith and ghost of some imaginary human being, in which we shall again be excoriated or held up as unworthy of any further attention. We will prove to the public at large our devotion to the purposes set forth, and demonstrate that we in this body on both sides are not for party, not for politics, but for the Nation.

It was unnecessary for the 11 gentlemen of self-proclaimed eminence who yesterday met in New York to admonish the Senate to drop its politics. Sirs, we remember that it was some of those gentlemen and their colleagues who in their politics have brought this country to the miserable state to which it has been compelled to descend. It is these and their clients and captains who have worked upon our United States the deplorable reputation that stains its honor before the world. Their admonitions to us were wholly unnecessary, as they are unprofitable. We turn to those eminent gentlemen in their financial malaria and plague of head enlargement who assembled in New York

and say to them, in the words of the Scripture, "Physician, heal thyself!"

Expressing my thanks and appreciation to the Senate, I say it pleases me to announce to the world everywhere that whatever our course shall be, as it has been in the past it shall continue for the future to be, for our country, for the welfare of all its people, as we praise Heaven we are Americans.

Mr. SMOOT. Mr. President, now that the Senator from Illinois has made the remarkable address that he has, and other references have been made to the President's letter to Mr. Richard S. Parker, I ask that the letter be published in the Record at this time, following his remarks.

If I had time, I should like to address the Senate now on the effect of tariffs on imports under the present tariff law. I may have a chance to do so later.

The VICE PRESIDENT. Is there objection to the request of the Senator from Utah? The Chair hears none.

The matter referred to is as follows:

[From the New York Times of Monday, May 23, 1932]

HOOVER'S WARNING ON PUBLIC WORKS BONDS

WASHINGTON, May 22.—President Hoover's letter to President Parker, of the American Society of Civil Engineers, read as follows:

MAY 21, 1932.

RICHARD S. PARKER,

President American Society of Civil Engineers.

New York, N. Y.

MY DEAR MR. PARKER: I am in receipt of your kind letter of May 19, and I have also the presentation of the subcommittee of the society suggesting that the depression can be broken by a large issue of Federal Government bonds to finance a new program of huge expansion of "public-works" construction, in addition to the already large programs now provided for in the current Budgets. The same proposals have been made from other quarters and have been given serious consideration during the past few days.

The back of the depression can not be broken by any single government undertaking. That can only be done with the co-operation of business, banking, industry, and agriculture in conjunction with the Government.

RELIEF PROGRAM OUTLINED

The aid the Government may give includes:

(a) The quick, honest balancing of the Federal Budget through drastic reduction of less necessary expenses and the minimum increase in taxes.

(b) The avoidance of issue of further Treasury securities as the very keystone of national and international confidence upon which all employment rests.

(c) The continuation of the work of the Reconstruction Finance Corporation, which has overcome the financial strain on thousands of small banks, releasing credit to their communities; the strengthening of building and loan associations; the furnishing of credit to agriculture; the protection of trustee institutions; and the support of financial stability of the railways.

(d) The expansion of credit by the Federal reserve banks.

(e) The organized translation of these credits into actualities for business and public bodies.

(f) Unceasing effort at sound strengthening of the foundations of agriculture.

(g) The continuation of such public works in aid to unemployment as do not place a strain on the taxpayer and do not necessitate Government borrowing.

(h) Continuation of national, community, and individual efforts in relief of distress.

(i) The introduction of the 5-day week in Government, which would save the discharge of 100,000 employees and would add 30,000 to the present list.

(j) The passage of the home loan discount bank legislation, which would protect home owners from foreclosure and would furnish millions of dollars of employment in home improvement without cost to the Treasury.

(k) Financial aid by means of loans from the Reconstruction Corporation to such States as, due to the long strain, are unable to continue to finance distress relief.

(l) The extension of the authority of the Reconstruction Corporation, not only in a particular I called attention to last December—that is, loans on sound security to industry, where they would sustain and expand employment—but also, in view of the further contraction of credit, to increase its authority to expand the issue of its own securities up to \$3,000,000,000 for the purpose of organized aid to "income-producing" work throughout the Nation, both of public and private character.

OBJECTIONS TO PROPOSALS

1. The vice in that segment of the proposals made by your society and others for further expansion of "public works" is that they include public works of remote usefulness; they impose unbearable burdens upon the taxpayer; they unbalance the Budget and demoralize Government credit. A larger and far more effective relief to unemployment at this stage can be secured by in-

creased aid to "income-producing works." I wish to emphasize this distinction between what for purposes of this discussion we may term "income-producing works" (also referred to as "self-liquidating works") on the one hand and nonproductive "public works" on the other.

By "income-producing works" I mean such projects of States, counties, and other subdivisions as waterworks, toll bridges, toll tunnels, docks, and any other such activities which charge for their service and whose earning capacity provides a return upon the investment. With the return of normal times the bonds of such official bodies based upon such projects can be disposed of to the investing public, and thus make the intervention of the Reconstruction Corporation purely an emergency activity.

I include in this class aid to established industry where it would sustain and increase employment, with the safeguard that loans for these purposes should be made on sound security and the proprietors of such industries should provide a portion of the capital. Nonproductive "public works," in the sense of the term here used, include public buildings, highways, streets, river and harbor improvement, military and naval construction, etc., which bring no income and comparatively little relief to unemployment.

FORMS OF RELIEF CONTRASTED

2. I can perhaps make this distinction clear by citing the example of the recent action of the Reconstruction Finance Corporation in the matter of the Pennsylvania Railroad Co., on one hand, and the recent bill passed by the House of Representatives for increased road building on the other. The railroad company applied to the Reconstruction Corporation for a loan of \$55,000,000 to help finance a fund of over \$68,000,000 needed to electrify certain of its lines. By so doing it would employ directly and indirectly for one year more than 28,000 men, distributed over 20 different States. An arrangement was concluded by which the Reconstruction Corporation undertook to stand behind the plan to the extent of \$27,000,000, the railway company finding the balance.

This \$27,000,000 is to be loaned on sound securities and will be returned, capital and interest, to the corporation. The Reconstruction Corporation is acting as agent to make available otherwise timid capital for the Pennsylvania Railroad in providing employment. There is no charge upon the taxpayer.

On the other hand, the proposal of the House of Representatives is to spend \$132,000,000 for subsidies to the States for construction of highways. This would be a direct charge on the taxpayer. The total number of men to be directly employed is estimated at 35,000 and indirectly 20,000 more. In other words, by this action we would give employment to only 55,000 men at the expense by the Government of \$132,000,000, which will never be recovered.

In the one instance, we recover the money advanced through the Reconstruction Corporation, we issue no Government bonds, we have no charge on the taxpayer. In the other instance, we have not only a direct cost to the taxpayer but also a continuing maintenance charge; and, furthermore, the highways in many sections have now been expanded beyond immediate public need.

BUDGET FACTOR EMPHASIZED

3. These proposals of huge expansion of public works have a vital relation to balancing the Federal Budget and to the stabilizing of national credit. The financing of income-producing works by the Reconstruction Corporation is an investment operation, requires no congressional appropriation, does not unbalance the Budget, is not a drain upon the Treasury, does not involve the direct issue of Government bonds, does not involve added burdens upon the taxpayer, either now or in the future. It is an emergency operation which will liquidate itself with the return of the investor to the money markets.

The proposal to build nonproductive public works of the category I have described necessitates making increased appropriations by the Congress. These appropriations must be financed by immediate increased taxation or by the issuance of Government bonds. Whatever the method employed, they are, inescapably, a burden upon the taxpayer. If such a course is adopted beyond the amounts already provided in the Budget now before Congress for the next fiscal year, it will upset all possibility of balancing the Budget; it will destroy confidence in Government securities and make for the instability of the Government, which, in result, will deprive more people of employment than will be gained.

HUGE PUBLIC WORKS OUTLAY NOW

4. I have for many years advocated the speeding up of public works in times of depression as an aid to business and unemployment. That has been done upon a huge scale and is proceeding at as great a pace as fiscal stability will warrant. All branches of Government—Federal, State, and municipal—have greatly expanded their public works, and have now reached a stage where they have anticipated the need for many such works for a long time to come. Therefore, the new projects which might be undertaken are of even more remote usefulness.

From January, 1930, to July 1, 1932, the Federal Government will have expended \$1,500,000,000 on public works. The Budget for the next fiscal year carries a further \$575,000,000 of such expenditures (compared with about \$250,000,000 normal) and includes all the items I have felt are justified by sound engineering and sound finance. Thus by the end of next year the Federal Government will have expended over \$2,000,000,000 on public works, which represents an increase over normal of perhaps \$1,200,000,000.

Thus we have largely anticipated the future and have rendered further expansion beyond our present program of very remote use-

fulness and certainly not justified for some time to come, even were there no fiscal difficulties. They represent building of a community beyond its necessities. We can not thus squander ourselves into prosperity.

MANY PROJECTS REQUIRE YEARS

5. A still further and overriding reason for not undertaking such programs of further expansions of Federal public works is evident if we examine the individual projects which might be undertaken from an engineering and economic point of view. The Federal public works now authorized by law cover works which it was intended to construct over a long term of years and embrace several projects which were not of immediate public usefulness. In any event, the total of such authorized projects still incomplete on the 1st of July will amount to perhaps \$1,300,000,000.

If we deduct from this at once the budgeted program for the next fiscal year—\$575,000,000—we leave, roughly, \$725,000,000 of such authorized works which would be open for action. If we examine these projects in detail, we find great deductions must be made from this sum. Construction of many projects physically requires years for completion, such as naval vessels, buildings, canalization of rivers, etc., and therefore as an engineering necessity this sum could only be expended over four or five years; a portion of the projects not already started will require legal and technical preparation and therefore could not be brought to the point of employment of labor during the next year; a portion of these authorized projects are outside the continental United States and do not contribute to the solution of our problem; a portion are in localities where there is little unemployment; a portion are in the District of Columbia, where we already have a large increase in program for the next fiscal year, and where no additional work could be justified. A portion are of remote utility and are not justified, such as extension of agricultural acreage at the present time.

GREAT EXPANSION HELD IMPOSSIBLE

Deducting all these cases from the actual list of authorized Federal public works, it will be found that there is less than \$100,000,000 (and this is doubtful) which could be expended during the next fiscal year beyond the program in the Budget. That means the employment of, say, less than 40,000 men. Thus the whole of these grandiose contentions of possible expansion of Federal public works fall absolutely to the ground for these reasons if there were no other.

If it is contemplated that we legislate more authorizations of new and unconsidered projects by Congress we shall find ourselves confronted by a logrolling process which will include dredging of mud creeks, building of unwarranted post offices, unprofitable irrigation projects, duplicate highways, and a score of other unjustifiable activities.

6. There is still another phase of this matter to which I would like to call attention. Employment in public works is largely transitory. It does not have a follow-up of continued employment, as is the case with "income-producing works." But of even more importance than this, the program I have proposed gives people employment in all parts of the country in their normal jobs under normal conditions at the normal place of abode, tends to reestablish normal processes in business and industry, and will do so on a much larger scale than the projects proposed in the so-called "public-works" program.

BALANCING OF BUDGET VITAL

7. To sum up, it is generally agreed that the balancing of the Federal Budget and unimpaired national credit are indispensable to the restoration of confidence and to the very start of economic recovery. The administration and Congress have pledged themselves to this end. A "public-works program," such as is suggested by your committee and by others, through the issuance of Federal bonds creates at once an enormous further deficit.

What is needed is the return of confidence and a capital market through which credit will flow in the thousand rills with its result of employment and increased prices. That confidence will be only destroyed by action in these directions. These channels will continue clogged by fears if we continue attempts to issue large amounts of Government bonds for purposes of nonproductive works.

Such a program as these huge Federal loans for "public works" is a fearful price to pay in putting a few thousand men temporarily at work and dismissing many more thousands of others from their present employment. There is vivid proof of this since these proposals of public works financed by Government bonds were seriously advanced a few days ago. Since then United States Government bonds have shown marked weakness on the mere threat. And it is followed at once by a curtailment of the ability of States, municipalities, and industry to issue bonds, and thus a curtailment of activities which translate themselves into decreased employment.

It will serve no good purpose and will fool no one to try to cover appearances by resorting to a so-called "extraordinary Budget." That device is well known. It brought the governments of certain foreign governments to the brink of financial disaster. It means a breach of faith to holders of all Government securities, an unsound financial program, and a severe blow to returning confidence, and further contraction of economic activities in the country.

What you want and what I want is to restore normal employment. I am confident that if the program I have proposed to

the Congress is expeditiously completed and we have the co-operation of the whole community, we will attain the objective for which we have been searching so long.

Yours faithfully,

HERBERT HOOVER.

Mr. CUTTING obtained the floor.

Mr. WHEELER. Mr. President—

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Montana?

Mr. CUTTING. I do.

Mr. WHEELER. I suggest the absence of a quorum.

The VICE PRESIDENT. Does the Senator from New Mexico yield for that purpose?

Mr. CUTTING. I yield.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Jones	Robinson, Ind.
Bankhead	Cutting	Kean	Sheppard
Barbour	Davis	Kendrick	Shipstead
Barkley	Dickinson	Keyes	Shortridge
Blaine	Dill	King	Smith
Borah	Fess	La Follette	Smoot
Bratton	Fletcher	Lewis	Stefwer
Brookhart	Frazier	Logan	Stephens
Broussard	George	Long	Thomas, Idaho
Bulkeley	Glass	McGill	Thomas, Okla.
Bulow	Goldsborough	McNary	Townsend
Byrnes	Hale	Moses	Tydings
Capper	Harrison	Neely	Vandenberg
Caraway	Hastings	Norris	Wagner
Carey	Hatfield	Nye	Walcott
Cohen	Hawes	Oddie	Walsh, Mass.
Connally	Hayden	Patterson	Walsh, Mont.
Coolidge	Hebert	Pittman	Watson
Copeland	Hull	Reed	Wheeler
Costigan	Johnson	Robinson, Ark.	White

The PRESIDING OFFICER (Mr. Fess in the chair). Eighty Senators having answered to their names, a quorum is present. The Senator from New Mexico is entitled to the floor.

Mr. HULL. Mr. President, will the Senator from New Mexico yield to me in order to offer an amendment?

Mr. CUTTING. I yield to the Senator from Tennessee.

Mr. HULL. I send the amendment to the desk.

The PRESIDING OFFICER. The amendment will be received and lie on the table.

Mr. HULL. I ask to have the amendment read.

The PRESIDING OFFICER. Without objection, the amendment will be read.

The CHIEF CLERK. On page 244, line 9, it is proposed to amend by inserting after the word "articles," the following additional paragraph:

The Government of the United States agrees not to increase the protective tariff above the present level for a period of two years, or to create new barriers or impediments to trade, provided other nations shall pursue a like policy.

Mr. CUTTING. Mr. President, I was much interested to hear the enlightened discourse of the Senator from Illinois [Mr. LEWIS], especially that part in which he referred to the "balancing of the Budget," that sacred phrase to which apparently we must subordinate every other consideration, including the health and life of our people. A representative of the American Federation of Labor who appeared recently before a subcommittee of the Committee on Manufactures told us that there were two other "b's" which were even more important than balancing the Budget, and that those were "bread and butter."

If we attempt to get any enlightenment from the administration, we are faced, first and foremost, with this question of balancing the Budget.

When a public-works program was suggested to the Secretary of the Treasury the other day, he replied to the request for comment, "I will say that there is no great amount of enthusiasm for an unbalanced Budget and a pork-barrel plan at the Treasury."

When the Secretary of the Interior took the opportunity the other day to talk about the depression, he insisted on the great value it would have to the babies and young children of the United States.

When the President is asked about a public-works program, he talks about banks and railroads and great indus-

tries in trouble. I have no intention to-day of dealing in detail with the letter published this morning in the press by the President, addressed to Richard S. Parker, president American Society of Civil Engineers, New York, N. Y. I do not know that it makes a great deal of difference to whom the letter was written, but it so happens that this gentleman is not the president of the American Society of Civil Engineers; that, as most well-informed citizens know, the president of the American Society of Civil Engineers is Mr. Herbert S. Crocker, of Denver, Colo. But I think the fact that the President wrote to Mr. Parker as president of the American Society of Civil Engineers acknowledging the receipt of his "kind letter of May 19," and saying, "I have also the presentation of the subcommittee of the society suggesting that the depression can be broken by a large issue of Federal governmental bonds," is perhaps symbolical of the attitude which the President has shown toward the unemployment situation from the time when it first began.

If it were not for the high position which he holds, I can not conceive that any human being would have the slightest interest at this stage of the game in any statement made by President Hoover. Nevertheless, the sounding board of the White House is a powerful instrument to appeal to the country. I suppose there is no man on this floor who does not receive letters every day asking him for God's sake to give up this business of partisan squabbling and support the great program laid down by the President for the rehabilitation of the country.

While I do not mean to deal with this statement in any detail, because it is full of figures which seem to be entirely erroneous, and to deal with it in detail would require more time than I have been able to give to it up to this moment, it seems to me that a few general considerations might be stated now on the floor of the Senate.

Perhaps those of us who believe in a public-works program should be gratified by seeing that the President at last has come out attacking it. That, perhaps, is the first stage in a series of mental processes with which we have become familiar in the past. Perhaps I should say it is the second stage. The first stage has usually been the ignoring of any program. The second stage has been the attack, and the third stage, capitulation and surrender. Then comes the fourth stage, in which all credit for the constructive reforms which have been accomplished, and which have been opposed for years, is claimed by the occupant of the White House.

In this particular case, however—and I am trying to measure my words—the President's attitude seems to be almost unique in history. For the past 15 years Mr. Hoover has been one of the leading advocates of the principle of expanding public works in time of business depression as a fundamental remedial measure. In February, 1923, after he had served as chairman of a commission on unemployment appointed by President Harding, Mr. Hoover, who was then Secretary of Commerce, wrote to Senator Frelinghuysen and to Representative Zihlman in support of the Frelinghuysen-Zihlman bill, a bill which stated in its preamble:

Whereas in the expansion of public works, at all such times, lies a natural and fundamental remedy for unemployment; and Whereas it is desirable that the Federal Government shall have power to acquire and tabulate for public use the information necessary to initiate and carry out this policy; therefore.

And there followed a bill providing for the appointment by the President of a commission of three "to prepare preliminary surveys or plans * * * so that work may be commenced and prosecuted when the next business depression occurs and when an appropriation becomes available therefor."

That was the bill which was approved by Mr. Hoover in his letter to Senator Frelinghuysen and Representative Zihlman.

On November 21, 1928, just two weeks after his election, at the request of President-elect Hoover, Gov. Ralph O. Brewster, of Maine, set forth fully in an address to the conference of governors in New Orleans what became known at once throughout the country as the Hoover plan, namely, the proposal of a gigantic nation-wide construction reserve,

to be used in times of unemployment and overproduction to relieve the unemployment and stabilize business by the expansion of public works.

Those of us who think back to that time will remember the occasion very well. Yet it requires a certain amount of effort. I saw to-day a copy of the Literary Digest of December 8, 1928, which gave its first three pages to this so-called Hoover plan. Three billion dollars was suggested as the proper sum for a bond issue to carry it out.

The Literary Digest heading was "Hoover's Plan to Keep the Dinner Pail Full." The opening sentence is as follows:

The abolition of poverty—or a job for every worker—was more than once depicted by Mr. Hoover during his campaign as the great aim of the American economic system. Now his proposal to create a \$3,000,000,000 reserve fund to be used for public construction work so as to ward off unemployment in lean years is hailed as a step toward that goal, although there are many who predict that the plan will not progress far before it collides with formidable obstacles in its path.

The Literary Digest at that time, of course, was not in a position to prophesy that the most formidable obstacle in its path would be the opposition of the President of the United States.

According to the Literary Digest of that date, the Magazine of Business stated:

Mr. Hoover will get out and push, where President Coolidge has been content to sit at the wheel and steer.

William Green, president of the American Federation of Labor, is quoted in the same article as saying:

The proposal is the most important announcement on wages made in a decade—the first definite movement to systematize wages and employment.

The Chicago Evening Post is quoted as saying:

Here is evidence that our next President will not passively accept conditions long deplored, merely because they have long existed.

"The Hoover plan is a step in the right direction," says the St. Louis Star. "It is a logical development of modern economic thought," affirms the Philadelphia Public Record, which states, in closing the editorial:

While the proposal is complex in detail, the principle is simple enough. Joseph made it work in the matter of Egypt's food supply several thousand years ago. Why shouldn't our highly organized society make it work now in industry?

According to the Literary Digest of the date I have mentioned, there came a unanimous chorus of approval, not only from the governors who heard the plan set forth, but from public opinion all over the country. So far as the Literary Digest reports, there was not a dissenting vote anywhere in this Nation.

Now, what is the record, Mr. President? Having failed to take any further step toward the reconstruction fund of \$3,000,000,000, which was advertised as the "Hoover plan," after failing to recognize the depression for almost a year after it began, the President asked Congress to appropriate from \$100,000,000 to \$150,000,000 for public works. I have forgotten the exact amount which he received. Perhaps some Senator will enlighten me. My memory is that it was something like \$116,000,000.

This morning the President gave out a 12-plank program making a distinction between "nonproductive" and "self-liquidating" public works. Instead of giving a job to every man he advises a continued reliance upon local charitable funds, when all our experience and the evidence of competent authorities has shown that those sources have been exhausted long ago.

I do not know how the President expects to deal with the problem of unemployment. It seems to me that if we take his statements at their face value he has left the unemployed population of the country no alternative except starvation revolt.

I wish to quote a few words from the President's statement:

The vice in that segment of the proposals made by your society and others for further expansion of "public works" is that they include public works of remote usefulness; they impose unbearable burdens upon the taxpayers; they unbalance the Budget; and demoralize Government credit.

That is the main point which he makes and with which I shall deal in a moment. In detail he says that "the best way in which we could remedy the situation is by following the example of the Reconstruction Finance Corporation in the matter of the Pennsylvania Railroad Co., in which money was loaned to finance a private enterprise which presumably in the course of time will make enough profit to repay to the Government the sum advanced.

I wonder, without going into any other phases of the matter, whether there are enough projects which even the President would call self-liquidating to really alter the unemployment situation in the country. If so, no evidence has been presented to that effect. The statement has been made, and is made by the President in this message, that there are not sufficient governmental projects which have already been approved to change the situation. Of course, from that particular point of view it does seem to me that at a time like this to loan money to subsidize private investment is something which is liable to lead to more scandal, to more favoritism, to more ultimate loss, than any project which is concerned with public projects alone.

Later on the President states that "these proposals have a vital relation to balancing the Federal Budget and to the stabilizing of national credit." He continues, referring to the course of building nonproductive public works, as he describes them:

If such a course is adopted beyond the amounts already provided in the Budget now before Congress for the next fiscal year, it will upset all possibility of balancing the Budget, it will destroy confidence in Government securities, and make for the instability of the Government which, in result, will deprive more people of employment than will be gained.

Surely at this date, Mr. President, it is not necessary to remind the country that the main difficulty which we confront is a matter of the revival of purchasing power. Sound business will not borrow money to finance projects from which there is no chance of getting any returns. Until the purchasing power revives there is no way in which business can possibly revive. Investment can not begin again until that purchasing power is revived, which means filling the great gap left by 8,000,000 to 10,000,000 unemployed citizens.

To my mind that matter completely takes precedence of any mythical necessity for balancing the Budget. Private enterprise does not balance its budget annually if by that is meant the financing of permanent improvements out of the current revenues of the year.

Furthermore, as the Senator from Illinois [Mr. LEWIS] pointed out a short while ago, under the analogy of wartime conditions—and the President himself admitted that this is a crisis and should therefore be treated as such—the balancing of the Budget is of purely secondary concern, secondary to reaching the objectives which the country needs to reach.

Then the President says, in substance, there is already a huge public-works outlay. He continues:

We have largely anticipated the future and have rendered further expansion beyond our present program of very remote usefulness and certainly not justified for some time to come, even though there were no fiscal difficulties.

His fifth point is similar:

A still further and overriding reason for not undertaking such programs of further expansions of Federal public works is evident if we examine the individual projects which might be undertaken from an engineering and economic point of view. The Federal public works now authorized by law cover works which it was intended to construct over a long term of years and embrace several projects which were not of immediate public usefulness.

Mr. President, I can say in that regard that there are a great many Federal public works which could be undertaken at once and whose usefulness no one could question. The report of the United States Bureau of Public Roads in 1930 shows projects of 48,000 miles of Federal-aid highways in every State in the Union which could be given a permanent surface at an expenditure of \$1,200,000,000. These roads could be completed and the surface protected while at the same time employing scores of thousands of men.

Take the question of grade crossings, a project which I understand experts say employs more labor in proportion to the total expenditure than any other kind of highway work. There are 210,000 unprotected railway grade crossings at the present time which could be eliminated. It has been estimated that one-third of those—70,000—could be wiped out at a cost of approximately \$3,500,000,000. It is obvious that projects of that sort could be carried out almost immediately, certainly with the simplest kind of planning and an exceedingly simple form of contract.

In addition to these particular proposals we have the questions of new highways, of reforestation, of flood-control projects, river and harbor improvements, and public buildings. Is it conceivable that there are not billions upon billions of dollars' worth of work that can be done with profit to the country which come into one or the other class?

The President said further:

There is still another phase of this matter to which I would like to call attention. Employment in public works is largely transitory. It does not have a follow-up of continued employment as is the case with income-producing works.

It seems to me that is something with which we all agree. A public-works program of this kind is not advocated as something which will proceed indefinitely on the same scale. It is a bridge to carry us over the gap which exists now. If extra purchasing power can be created it is no argument to say that when we restore the normal trend of business conditions we shall have to adopt an entirely different system, a far more fundamental system for the future.

The President continues:

It is generally agreed that the balancing of the Federal Budget and unimpaired national credit is indispensable to the restoration of confidence and to the very start of economic recovery. The administration and Congress have pledged themselves to this end. A public-works program, such as is suggested by your committee and others, through the issuance of Federal bonds creates at once an enormous further deficit.

I do not know whether at this stage of the proceedings it is necessary to argue for the principle of public works. The national debt which threatens us would not in itself be unduly onerous were it not for the shrinkage of prices, the shrinkage of incomes, and the depression in business conditions. If we expand activity through a public-works program or through any of the other ways which have been suggested—none of which, however, are as immediate as a public-works program—the activity which will be created in the country will far more than overbalance the new charges which may be incurred by adding something—a pittance—to the national debt.

So far this session of Congress has been most amenable to every project which the President has set before us. We have voted for the moratorium, for the Reconstruction Finance Corporation, and the Glass-Steagall banking bill. Not one of them has remedied the situation. Not one of them has checked the downward trend of business, the fall of security and commodity prices, or the rise in unemployment.

We say 8,000,000 to 10,000,000 of our citizens are wholly unemployed. That does not cover the situation. There are probably just as many more who are partially employed, working only two or three days a week.

The present depression has cost the laboring people of the country not less than \$25,000,000,000 and the business men not less than \$100,000,000,000, the total loss amounting to nearly one-third of our national wealth.

The banking and business interests of the United States have had plenty of time to adopt measures to halt the depression if it was in their power. Up to date they have completely failed. Will any Member of Congress in this or the other body be willing to give them further opportunity to try out a system which they have already shown can not be worked? It is not only our right but it is our duty in this emergency to use the full power of Government to relieve the suffering scores of millions of our citizens and to formulate plans to prevent a recurrence of such an economic disaster.

The principle of expansion of public works in times of depression has been recommended by so many economists, so many socially minded business men and labor leaders, that I need hardly add anything to what has already been said.

Over a year ago more than a hundred of our leading economists, through a statement released to the press in January, 1931, favored this form of relief. In the last paragraph of their formal statement they declared that "the cost of public works could not be compared to the loss sustained by all classes of the Nation if such expenditures were not made."

I leave it to Senators to say whether or not this prediction has been fulfilled.

The Engineering News-Record, in a series of editorials a few months ago, urged the expenditure of billions by the Nation, stating that—

Public construction constituted a reservoir of employment greater than any draft that could be made upon it.

In an editorial entitled "Work for All," published last September, the statement was made:

We are not forced to depend on charity, then. We can work our way out. And the means are available. We lack neither money nor the ability to organize and plan quickly.

In November, 1931, this same journal said, editorially:

To-day, even more than three months ago, when we warned of the winter's emergency and called for a large nationally supported program of public-works construction, public works offer the only possibility for giving work to the unemployed.

I have no sympathy with the cry uttered by the President that we can not afford to embark on a program of public works, which would give employment to the unemployed men and women of the country, restore purchasing power, and add to the Nation's wealth. It is my firm conviction that if we do not decide to spend five billions, or more, in order to put millions of men and women to work as promptly as it can be done, it will cost us many times this amount in the further depreciation of all forms of property values.

I earnestly hope that the Congress will appreciate, before it is too late, not only the suffering of the poverty-stricken people of the Nation but also the danger of the further depletion that all our citizens face in permitting the conditions of the last two years to continue.

It is evident that those who talk about increasing the channels of credit are taking a secondary factor for the primary one. There can not in the long run be any more available credit until there is more purchasing power in the hands of the masses of our people. Business must be convinced that if it avails itself of that credit it will find purchasers for its goods. Since the depression started we have been approaching this problem from the wrong end—that is, pouring the money in at the top instead of reestablishing purchasing power at the bottom.

A public-works program inaugurated by the Federal Government at this time and continued with the energy and boldness of war times would check the depression and start us on the upward course. Nothing else will do it, and the time is short in which to make the effort.

I agree with President Hoover in one respect, when he says that the back of the depression can not be broken by any single Government undertaking. That is undoubtedly true. It may require a great number of Government undertakings even to halt the general trend of business.

Obviously we not only have to provide work for those who are unemployed, but we have to provide direct relief for those whom we can not employ and whom our State, municipal, and private charity organizations have been unable to reach. That is the first step.

The second step is some Government undertaking to provide public works. I have long felt that some concrete measure should be introduced which can take effect in the immediate future. I have studied with the utmost interest the thoroughly thought-out programs suggested by the senior Senator from Wisconsin [Mr. LA FOLLETTE], the junior Senator from New York [Mr. WAGNER], and other

Members of this body. I think in the long run some plan such as that proposed by the Senator from Wisconsin will have to be adopted. I merely wish at the present time to introduce a bill which it seems to me might get immediate results, which will take effect a little more speedily than any of the other measures which are at present before Congress.

I have been stirred, perhaps, into somewhat earlier action than would otherwise have been the case by the statement of the President of the United States. I have not seen the program to be offered by our friends across the aisle. It seems to me, however, from what I have read of it in the newspapers, that it can not be adequate to relieve the situation which exists. For that reason, Mr. President, I ask unanimous consent, out of order, to introduce the bill which I have referred to and to have it printed in the RECORD following my remarks.

The PRESIDING OFFICER (Mr. COUZENS in the chair). Without objection, it is so ordered.

There being no objection, the bill (S. 4737) to provide a fund for Federal public works in times of business depression to stabilize business and to provide work for the unemployed was read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

S. 4737

A bill to provide a fund for Federal public works in times of business depression to stabilize business and to provide work for the unemployed

Whereas the industrial history of the last half century in the United States shows that no decade has been without its acute business depression accompanied by long periods of unemployment for millions of workers; that coincident with this vast waste of labor power is the similar waste of idle factories, machinery, and capital; and that these constantly recurring periods of business depression bring not only anxiety, hunger, and misery to those who are thrown out of work but break down the industrial machine itself and cause the permanent deterioration of the worker in body and mind, increased sickness, and demands upon our hospitals and charitable institutions, and finally crime waves and other forms of disorder which menace the peace and security of society; and

Whereas in the expansion of public works, at all times, lies a natural remedy not only for unemployment but for the stabilization of business; and

Whereas the Nation is again in the midst of a serious business depression—the third within the last 15 years; and

Whereas there is to-day great need, throughout the country, of public works such as post roads, afforestation, canal and river transport, flood-control projects, elimination of grade crossings, public buildings, and river and harbor improvements: Therefore

Be it enacted, etc., That the Secretary of the Treasury, with the approval of the President, is authorized to borrow, from time to time, on the credit of the United States, to meet expenditures authorized by this act, an amount not exceeding in the aggregate \$5,000,000,000, and to issue therefor bonds of the United States.

SEC. 2. A sum of money not exceeding \$2,000,000 is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to pay all necessary expenses, including rent, incident to the issuance and disposal of said bonds.

SEC. 3. The bonds herein authorized shall be in such form or forms and subject to such terms and conditions of issue, conversion, redemption, maturities, payment, and rate or rates of interest as the Secretary of the Treasury, from time to time, at or before the issue thereof, may prescribe.

SEC. 4. Such bonds shall be exempt from all taxes or duties of the United States.

SEC. 5. None of the bonds authorized under this act shall bear the circulation privilege.

SEC. 6. (a) The bonds herein authorized shall from time to time first be offered at not less than par as a popular loan, under such regulations, prescribed by the Secretary of the Treasury from time to time, as will in his opinion give the people of the United States as nearly as may be an equal opportunity to participate therein, but he may make allotment in full upon applications for smaller amounts of bonds in advance of any date which he may set for the closing of subscriptions and may reject or reduce allotments upon later applications from incorporated banks and trust companies for their own account and make allotment in full or larger allotments to others, and may establish a graduated scale of allotments, and may from time to time adopt any or all of said methods, should any such action be deemed by him to be in the public interest.

(b) Such reduction or increase of allotments of such bonds shall be made under general rules to be prescribed by the Secretary of the Treasury and shall apply to all subscribers similarly situated.

(c) Any portion of the bonds so offered and not taken may be otherwise disposed of by the Secretary of the Treasury in such manner and at such price or prices, not less than par, as he may determine.

SEC. 7. There is created in the Treasury a cumulative sinking fund for the retirement of bonds issued under this act. The sinking fund is hereby appropriated for the payment of such bonds at maturity, or for the redemption and purchase before maturity by the Secretary of the Treasury at such prices and upon such terms and conditions as he shall prescribe, and shall be available until all such bonds are retired. The average cost of the bonds purchased shall not exceed par and accrued interest. Bonds purchased, redeemed, or paid out of the sinking fund shall be canceled and retired and shall not be reissued. For each fiscal year, until all such bonds are retired, there is hereby authorized to be appropriated, for the purpose of such sinking fund, an amount equal to the sum of 2 per cent of the aggregate amount of such bonds estimated to be outstanding at the end of the preceding fiscal year.

SEC. 8. The proceeds of said bonds shall be paid into the Treasury of the United States and be kept in a separate fund which shall be known as the unemployment relief fund and which shall be used only for the purposes of this act.

SEC. 9. The President, from time to time, shall approve the offering of such bonds for sale in such amounts as may be necessary, in his judgment, to provide sufficient money to pay for the work provided for herein, and the expenses incidental thereto or for any other expenditures authorized by this act.

SEC. 10. The President shall append each year to the Budget submitted to Congress:

(1) A statement of the amount of money realized during the preceding fiscal year from the sale of bonds authorized by this act, and the condition of the unemployment relief fund at the beginning and the end of the fiscal year;

(2) A statement of expenditures under this act in the preceding fiscal year;

(3) A statement of the work done under this act during the previous fiscal year and of the work authorized for the current fiscal year; and

(4) A statement of the amount realized from sales of bonds prior to October 1 of the current year.

SEC. 11. The aforesaid sum of \$5,000,000,000, or so much thereof as may be derived from time to time from the issue and disposal of said bonds, is appropriated for the purposes of this act and shall be allocated by the Secretary of the Treasury on the direction of the President, among the different departments and independent establishments of the Government, hereinafter provided for, in such manner and in such proportion as may seem to the President best for the purpose of carrying out the provisions of this act.

SEC. 12. Within one month after the passage of this act a report shall be made to the President:

(a) By the Secretary of Agriculture of projects for the completion and improvement of highways approved by him under the Federal highways act;

(b) By the Secretary of the Treasury of projects—

(1) In respect of public buildings under his jurisdiction already under construction and the construction of which may be hastened to the advantage of the Government by the expenditure of funds authorized to be expended under this act;

(2) In respect of public buildings under his jurisdiction which have been authorized by Congress and approved by the Secretary;

(3) In respect of buildings under other departments and independent establishments of the Government, plans and specifications for which have been prepared in the office of the Supervising Architect of the Treasury. In his report the Secretary of the Treasury shall state those projects upon which contracts may be entered into immediately and those projects upon which further preparation is required before they can be advertised for bids;

(c) By the Secretary of War projects under his direction in respect of flood control or river and harbor improvement which have been provided for by Congress and approved by the Board of Engineers for Rivers and Harbors or by any other boards—

(1) Which have been begun but completion of which may be hastened by the expenditure of money appropriated by this act;

(2) Which have not yet begun but which are ready for submission for bidding; and

(3) Which are not yet ready for submission for bidding.

SEC. 13. (a) The President from time to time shall designate the project or projects to be undertaken under the authority of this act and shall specify the sum to be set aside from the unemployment relief fund to carry out each project so designated. He may at any time increase or decrease any sum so specified in respect of any project.

(b) In making such designation the President shall take into consideration the relief of unemployment, the stabilization of business, and the urgency of the project;

(c) Any sum so specified for public buildings or flood control or river and harbor improvement shall be assigned to the department or independent establishment which has reported the project to the President and shall be treated as are appropriations by Congress to such departments or independent establishments for similar construction, except there shall be no monthly allocation of such sum.

SEC. 14. (a) The President is authorized to apply any part of the unemployment relief fund to work upon any project or projects reported to him by the Secretary of Agriculture and to allot such funds to the Secretary of Agriculture, and such project or projects shall be carried on under the direction of the Secretary of Agriculture.

(b) In addition to such projects and for the further relief of unemployment and stabilization of business the Secretary of Agriculture is authorized and directed to construct a nation-wide system of hard-surfaced post roads connecting the capitals or principal cities of the several States and the District of Columbia on such routes as he may approve and report to the President. The President may approve any or all routes so reported and may allot any portion of the unemployment relief fund to the construction of all or any part of the route so reported.

(c) Any sums so allocated to the Secretary of Agriculture shall be treated as nearly as possible as is money appropriated by Congress for the construction of public buildings, except that there shall be no monthly allocation thereof.

(d) A total of not less than \$3,000,000,000 of the money available under this act shall be applied on work done under the direction of the Secretary of Agriculture under this act.

SEC. 15. The Secretary of Agriculture shall have all the powers necessary to carry out his duties under this act and shall cooperate with the authorities in each State charged with the duty of highway construction.

SEC. 16. In laying out the highway routes, under this act, the Secretary of Agriculture shall take into consideration existing highways and may with the consent of the proper authorities in each State apply any part of the money allotted to him by the President in widening or improving highways.

SEC. 17. This act is not intended to repeal or interfere with any provision of the Federal highways act, unless such provision is in direct conflict herewith.

SEC. 18. Each Secretary to whom allotments are made under this act shall have power to acquire real estate or any interest therein for the purposes of this act, in the same way as is provided by law for the acquisition of similar property for similar purposes: *Provided*, That the acquisition of real estate or any interest therein by the Secretary of Agriculture shall be made in the same way and under the same provisions of law which provide for the acquisition of similar property for river and harbor works. Property so acquired may be paid for from such allotments.

SEC. 19. The post roads provided for under this act, except as otherwise provided by the Secretary of Agriculture, with the approval of the President, shall be durable and hard-surfaced and—

(a) Of a width not less than 20 feet, except in rough, mountainous, or sparsely settled regions, or other extreme cases;

(b) Wherever practicable, for at least 5 miles out from the corporate limits of any city of over 200,000 population, said hard-surfaced roadway, parts of said post road, shall have at least four traffic lanes of approximately 10 feet in width, or such greater number of such traffic lanes as will, in the judgment of the Secretary of Agriculture, meet all reasonable traffic requirements and insure safety and economy in traveling; and

(c) Wherever practicable, for at least 10 miles out from the corporate limits of any city of over 800,000 population, there shall be at least six such traffic lanes.

SEC. 20. The Secretary of Agriculture is authorized, with the allotment from the unemployment relief fund made by the President, to have made any surveys, plans, specifications, estimates, and other preparations necessary for the construction of the post roads provided for herein.

SEC. 21. Works to be carried on under the authority of the Secretary of the Treasury or of the Secretary of War shall be carried on as is provided by law for similar works under authorization of Congress.

SEC. 22. The provisions of law relating to the carrying on of work for river and harbor improvements shall apply as far as possible to the construction, completion, or improvement of post roads under this act, except that the Secretary of Agriculture shall be substituted for the Secretary of War.

SEC. 23. (a) There shall be a temporary supervising engineer of post roads in the Department of Agriculture, who shall be appointed by the President for a term of three years by and with the consent of the Senate. He shall supervise the plans and construction of the post roads authorized herein and perform such other duties as the Secretary of Agriculture shall require. His salary shall be fixed by the Secretary of Agriculture with the approval of the President.

(b) The appropriate Secretary may contract for the services of such engineers, experts, and other technical and office assistants as he may deem necessary for the purposes of carrying out his duties under this act.

(c) The compensation of the temporary supervising engineer, and of other persons under contract as provided in this section, shall be paid from allotments made from the unemployment relief fund.

(d) So far as possible, technical and office assistants shall be appointed from the list of persons qualified for such positions under the civil service act.

SEC. 24. If any provision of this act should be held to be invalid, such invalid provisions shall not affect the validity of any other provisions of this act which can be given effect.

SEC. 25. This act shall take effect on its passage.

Mr. TYDINGS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Kean	Schall
Bailey	Cutting	Kendrick	Sheppard
Bankhead	Davis	Keyes	Shipstead
Barbour	Dickinson	King	Shortridge
Barkley	Dill	La Follette	Smith
Bingham	Fess	Lewis	Smoot
Blaine	Fletcher	Logan	Stelwer
Bratton	Frazier	Long	Stephens
Brookhart	George	McGill	Thomas, Idaho
Broussard	Glass	McNary	Thomas, Okla.
Bulkeley	Goldsborough	Moses	Townsend
Bulow	Hale	Neely	Trammell
Byrnes	Harrison	Norbeck	Tydings
Capper	Hastings	Norris	Vandenberg
Caraway	Hatfield	Nye	Wagner
Carey	Hawes	Oddie	Walcott
Cohen	Hayden	Patterson	Walsh, Mass.
Connally	Hebert	Pittman	Walsh, Mont.
Coolidge	Hull	Reed	Watson
Copeland	Johnson	Robinson, Ark.	Wheeler
Costigan	Jones	Robinson, Ind.	White

The PRESIDING OFFICER. Eighty-four Senators having answered to their names, a quorum is present. The question is on agreeing to the committee amendment.

Mr. HULL. Mr. President, I shall detain the Senate only a few minutes in order to call attention to an amendment which I have offered as a separate paragraph to follow the pending committee amendment.

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Nebraska?

Mr. HULL. I do.

Mr. NORRIS. I want to inquire of the Senator if I understand correctly what he has said. Does the Senator offer this amendment as an amendment to the committee amendment?

Mr. HULL. No; I offer it as a separate paragraph to follow that amendment.

The amendment proposes that the United States Government shall agree not to increase its protective tariffs above the present level for two years nor interpose obstructions to trade, provided other governments agree to pursue a like policy.

The bill that was vetoed by the President some days ago contained a provision authorizing and requesting the Executive to convene an international economic conference, a part of the purpose of which should be to bring about, as nearly as might be possible, some degree of concerted action on the part of this and other nations for the purpose of readjusting downward excessive tariffs wherever they might exist. That measure having been vetoed, since the nations of the world, including our own, are unable to take any steps that might tend at least to check this constant movement upward of every kind of trade obstruction, every kind of exchange restriction, and every kind of barrier to the transfer of goods and capital and services across international boundaries, it is in my judgment very important, in the light of the present chaotic economic conditions here and everywhere, that this and other nations should pause in the wild excesses to which I have referred and take two years for the purpose of reexamination, for the purpose of stock taking, so to speak, in order that they might with more deliberation and with better judgment determine whether it is not eminently wise from the standpoint of the enlightened self-interest of every country alike that they should proceed somewhat in concert but, of course, acting separately and independently through their own respective parliamentary bodies to make readjustments downward in a manner that would gradually bring about a simplification and bring down to a moderate level this great tangled mass of obstructions and reprisals and impediments and retaliations, a complete network of which has been built up in the capital of every civilized nation.

Mr. President, I repeat that the purpose of this amendment is to say, in behalf of the American people, to the people of all other countries that if the nations can not make any reductions of excessive taxation and unnecessary impediments to trade, they should at least refrain from making increases upon the already wildly extravagant level that has been built up everywhere during the past 10 or 12 years.

It is sometimes suggested, and I desire to emphasize that fact, that during recent years and at this time not only are all phases of our industrial, commercial, and general economic affairs in a chaotic state but there are wide fluctuations in our currencies and in our exchange situations and in our prices, so that no government can with intelligence or with accuracy effect any important tariff readjustments at this time or at any early time in the future; and this condition of constant and material changes in commodity prices and in the exchange and currency situation, as I have stated, makes purely speculative any extended tariff readjustment, especially upward.

As I have said heretofore, I have entire respect for those who may differ from my individual view; but I should not consider myself faithful to the opinions I entertain, or to the fundamental economic philosophy of the political party to which I belong, if I did not undertake in a small way to assert my judgment as to the soundness of the ideas to which I am making reference.

It is easy for any of our friends to persuade themselves that the two political parties have merged, in effect, on tariffs, which in practical effect includes all economics; that they have merged, not on the principle alone but on the excesses that characterize our present-day tariff policy. I desire to offer the prediction that if the Democratic leadership in the different States of this Nation, and I am not referring to any Senate leaders, undertakes to merge the two old parties to all intents and purposes, both as to economic philosophy and as to the notorious excesses that are being practiced, it will be no time until a new party, made up of as able and as patriotic citizenship as the American Nation or any other nation can afford, will rise up to champion the fundamentals of that wonderful economic philosophy which has been the glory of the Democratic Party and of the American Nation for more than a hundred years.

We need not deceive ourselves about the notion that we can merge the two political parties here on economics and on finances and on special interests of all kinds, and indulge in those wild excesses which are written on every page of the Smoot-Hawley Act, and expect the great American citizenship to undergo patiently and uncomplainingly and with perfect acquiescence all the penalties and injustices that this one-sided, inequitable system inevitably imposes upon the masses of this country.

Why, Mr. President, do we imagine for a moment that this city would be flooded with lobbyists at great expense, that these galleries would be crowded at all hours of the day and night with the highest-paid lobbyists in America, for days and weeks and months hovering over us here, as part of a great altruistic movement in the interest of the American public? Why, if we should start to enact here to-night a tariff bill that deprived them of the opportunity to collect special favors from the American public, they would strangle that bill in its infancy; and yet we are proceeding complacently upon the theory that those gentlemen are here in the public interest; that all these vast expenditures are to help guide the Congress along a wise and a sound course solely in the interest of the American public!

Mr. President, the merest tyro in economics knows that there must be two classes in any country that are parties to levies of protective tariffs, especially where they are levied unnecessarily high. The beneficiary always writes them high, and under our present-day policy he is permitted to write them. We know, however, that there must be one group of citizens to pay—they always pay—and there is another group to receive. If the citizenship of this country should be equalized with respect to tariff benefits, they would be shunned as a pestilence by everybody alike, and all of our lobbying friends would be left without an occupation.

But there must be a small group to receive, because it takes a larger group to pay, to bear the burden. The smaller group can receive without attracting so much attention.

Mr. SHORTRIDGE. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Tennessee yield to the Senator from California?

Mr. HULL. In just a moment. I am trying to state the case, and then I shall be glad to yield. I have always welcomed a contribution from the able Senator from California.

I am just trying to say that every person recognizes that we do not go to a general sales tax or to a tariff act if we are looking for equity. We do not go to a tariff act if we are looking for economic equality. We do not go to it if we are looking for revenue, in case we permit the beneficiaries to fix the rates, because they fix them too high for revenue purposes. In other words, we may not be mindful of the fact that in the abstract a tariff is not equitable, but is for the benefit of certain individuals and certain groups of a limited nature.

That being the situation, we have seen one political party in this Nation always opposing the course and the policy of the chief tariff beneficiaries. We have never seen both political parties join in and undertake to monopolize the support of the chief tariff beneficiaries or to monopolize the economic philosophy which they maintain. That is only another reason why this country is not going to stand for two political parties supporting and championing prohibitive or embargo tariffs for long.

Here is an illustration of the significance of tariff by a great assemblage of people in 1876. They said:

We denounce the present tariff levied upon nearly 4,000 articles as a masterpiece of injustice, inequality, and false pretense. It yields a dwindling, not a yearly rising revenue. It has impoverished many industries to subsidize a few. It prohibits imports that might purchase the products of American labor. It has degraded American commerce from the first to an inferior rank on the high seas. It has cut down the sales of American manufactures at home and abroad, and depleted the returns of American agriculture—an industry followed by half our people. It costs the people five times more than it produces to the Treasury, obstructs the processes of production, and wastes the fruits of labor.

That is just a sample. I would not have referred to the abstract nature of tariffs except for the fact that a friend of mine in the corridor this morning was very insistent to me that the two political parties here in Congress had virtually merged on not only the same economic philosophy, of which our present ultrahigh tariff policy is the head and front, but upon all those minor phases of economics which go along with it, including Power Trust interests, activities, and influences, and other minor phases of special privilege which are a supporting part of the prohibitive and embargo tariff structure which to so large extent exists to-day.

I resent very strongly the suggestion that the Democratic Party has now merged, in effect, with the dominant influences in the Republican Party with respect to the ultrahigh tariff policies that are in vogue here and in many other countries at this time.

I do wish to emphasize, however, that unless this and other Nations halt and examine this almost impossible state of production and trade and finance the time is near at hand, in my judgment, when there may be another collapse of our whole economic structure in all the important countries.

We already have a virtual collapse of both international trade and domestic trade. We already have a complete collapse of international credit and international finance, and the exchange situation is all broken down. There is no possible way in which we can sell our surpluses anywhere except in a very trivial way.

Upon these considerations I base the suggestion carried in the pending amendment that this country could do no wiser thing than by adopting the amendment and thereby taking a lead in quietly suggesting to the other nations that the time has come when, if we can not reduce tariffs, we should at least agree not to increase them beyond the already mad and wild heights to which they have been lifted.

Two years would afford a breathing spell. Two years would give time to reexamine and to analyze both our domestic and our international problems. We could then ascertain with some degree of deliberation just to what extent permanent and sound business recovery requires not only our efforts here at home but to what extent some degree of sane, practical international cooperation can be effective in restoring the low level of commodity prices in the world

market and in restoring the credit and the exchange situation, which to-day bears so heavily and so oppressively upon the domestic economic situation of every important nation.

Mr. SHORTRIDGE. Mr. President, I have listened with much interest to the Senator who has just yielded the floor, and if he will pardon me, I will put to him now a question or two which I had hoped to have the honor of putting to him a few moments ago.

I understand the Senator to have said that he takes a firm position as against the so-called extortionate rates of duty fixed in the present tariff law, the so-called Hawley-Smoot Tariff Act. I was prompted to put a question to the Senator in respect of certain of those rates, not to provoke argument, or to cause any embarrassment.

Mr. HULL. The Senator will not embarrass me, I assure him.

Mr. SHORTRIDGE. I would not do so intentionally. I will incorporate half a dozen or more items in one question.

The poultry association of practically every State of the Union and the National Poultry Association appeared before the respective proper committees and petitioned and urged and argued for a certain rate on certain poultry products imported from foreign countries. The State and the national dairy associations likewise appeared, petitioned, and argued, appealed, indeed, for certain rates on certain dairy products imported.

The almond associations from States raising almonds, the walnut associations from States raising walnuts, the lemon and orange associations from States raising lemons and oranges, the fig associations, and the cotton associations petitioned and argued with force, certainly with great earnestness, in favor of certain rates, and as to none of these several products mentioned does the present tariff law accord the rates which were sought by those several associations.

I mention particularly the fig association. I recall vividly the argument made by an intelligent citizen of Texas, presented before the Finance Committee by the distinguished junior Senator from Texas [Mr. CONNALLY], and I recall him because of his masterly, and, I thought, convincing argument in favor of certain rates of tariff duty on figs—for it is well known that Texas, as California, is a great fig-producing State.

I repeat that I did not intend to invite argument. I wished merely to ask the Senator whether, when denouncing or inveighing against the tariff act now the law, he is opposed to any of the rates on any of the products mentioned. That is my immediate question.

Mr. HULL. Mr. President, in order to make the best possible impression on the distinguished Senator from California, for the purpose of answering his question, I will just adopt the economic philosophy of James A. Garfield as applicable to the Senator's proposition, and read that to him:

Duty should be so high that manufacturers can fairly compete with the foreign product, but not so high as to enable them to drive out the foreign article, enjoy a monopoly of the trade, and regulate the price as they please.

Under this so-called yardstick of the difference between the costs of production here and abroad, not one penny's worth of one article remotely competitive would get into this country, even by accident. The Senator's tariff bill is far above this pronouncement of Senator Garfield, I believe, when he was a Member of the House. Not only that, but I recall that all of our peanut friends were given a tariff of 186 per cent, and the guaranty that they would all make good profits. They are all broke now, I think, and that 186 per cent tariff is still suspended over their heads as a sort of economic insult to them, on account of its unreasonableness, its extravagance, and its lack of any sort of moderation.

Our egg friends came along and got what they wanted. They had been told by propagandists that the higher they fixed a tariff the more they would get for their eggs.

One of my associates, operating a farm, informed me that he only gets about 7 cents at the farm for his eggs. Our friends were assured when they placed the rate up above 8

cents a pound where it originally was, and under which rate we did not average more than 5 cents of tariff benefit; yet it was jumped from 8 to 12 and then to 14 cents, with the constant copper-riveted assurance to the dairyman that his prices would go up accordingly, and yet to-day his prices are lower than they have been in 20 or 25 years. They are down to 20 cents a pound.

I want to inquire of the distinguished Senator from California why he is not undertaking to apologize for all this vast list of promises that have been made to the produce men, the dairy men, and the farm commodity prices generally instead of seeking to catechize and criticize me? Perhaps the Senator is merely undertaking to divert attention from the awful situation.

Mr. SHORTRIDGE. Far from it.

Mr. HULL. That is the practice of the champions of the ultrahigh tariff, not only here but everywhere. The strange thing about it, if the Senator will permit me to interject, is that all the nations never had such mountain-high embargo tariffs as they have had during the last few years under our leadership.

All of them have been subjected to the most devastating, destructive panics that ever befell the human race during the age of civilization and yet the Senator, with all his tariff beneficiaries broke and flat on their backs and millions of them out of employment and millions of them driven into bankruptcy, has the hardihood—I shall not say effrontery, because the Senator is never guilty of effrontery—but he has the hardihood to solemnly brush aside this unthinkable condition of distress and panic and divert attention by catechizing some wholly innocent person like myself.

Mr. SHORTRIDGE. Mr. President, I rose to say that I did not intend to engage in controversy with the Senator over the philosophies entertained by the different Members of this body, but to propound a question.

Mr. HULL. If the Senator will permit me, I want to say that if we are not interested in settling the true and sound economic philosophy that ought to apply in this country, then we are not specially interested in the entire subject matter of the tariff.

Mr. SHORTRIDGE. Mr. President, the Senator inveighed against the existing law, denounced it in proper parliamentary language, and I rose to ask him whether he objected to certain rates. It is so easy to indulge in glittering generalities or, as a Democratic philosopher once said, "general glitteralities"—very easy, indeed. We placed certain rates on poultry products, on dairy products—casein, for example—on lemons, on oranges, on cotton, on figs, on walnuts, on almonds, and on many other items that fall within the category of horticulture or agriculture.

Mr. HULL. Mr. President, will the Senator permit me?

Mr. SHORTRIDGE. Pardon me for a moment. I do not care to enter into a discussion of the philosophies of the so-called free-trade theory or the so-called protective-tariff theory. I am more or less familiar with those theories and with the record of the past in our country and in all other countries. What I have asked other Senators and what I have put out in public is in essence this:

Instead of discussing philosophies, are they objecting to any specific rate, whether it be called a relatively protective rate or whether it be denounced as an excessively high protective rate? Do they object to any particular rate? I undertake to say that there are not two more thoughtful Senators, Members of this body, than the two Senators from Florida [Mr. FLETCHER and Mr. TRAMMELL]. These two learned Senators, the learned senior Senator from Louisiana [Mr. BROUSSARD], the former learned Senator from Louisiana, Mr. Ransdell, and the learned Senator from Wyoming [Mr. KENDRICK]—all Democrats—voted for the present so-called Smoot-Hawley Tariff Act.

But my friend from Tennessee may say that is neither here nor there. But with great respect, and not to embarrass or to get into personal controversy, I repeat, as I have many times inquired of Senators, to what particular items

in the bill do they object? If the Senator from Tennessee cares to answer, he may do so; if he does not care to answer, be it so.

Mr. HULL. I will say to the Senator—I would assume he is familiar with it, because it was published in the papers—that during the last week I offered an amendment to the pending bill which proposes to go up to the prohibitive embargo range of rates in the Smoot-Hawley tariff bill and reduce by 20 per cent in all cases where a rate is above 40 per cent, but reducing no rate below 40 per cent. I hope that will please the Senator, if it does not satisfy him.

Mr. SHORTRIDGE. I beg the Senator's pardon, but let me look him right in the eye now and say that I do not think he is willing to admit that he is opposed to any one of the rates fixed to which I have referred. Does he want to reduce the rate on cotton, on figs, on oranges, on poultry products, on dairy products, or not?

Mr. HULL. I expressly and avowedly subscribe to the amendment which I have pending which proposes to reduce not alone those rates at the top but every rate bearing an import duty in the Smoot-Hawley Act over 40 per cent ad valorem—to reduce them by 20 per cent.

Mr. SHORTRIDGE. Including the ones I have mentioned?

Mr. HULL. Yes; every one of them. That is just a preliminary step, operating on the top range, where the intervention of a tariff fact-finding commission is not necessary.

I will say further to the Senator that I have in great elaboration set out just how I would undertake to deal, if I had my way, with the present business situations, the economic situation, and the tariff and commercial questions which relate to them. I would proceed carefully and gradually to a readjustment downward with a level of moderation as my objective. I would do that with the aid of a fact-finding commission. I would pursue the policy that as the country becomes economically independent, it should in this or that instance throw off artificial restraints and restrictions.

Then I would be careful to recognize at every step the hot house industries that have existed in this country as we have built up industry generally. From my viewpoint, while there would be some utterly inefficient concerns which it would be necessary to improve in their efficiency, I think we would have not only an increasing domestic trade with all the manufacturing concerns on a healthier and sounder basis but we would have what we have not to-day—to wit, a great and growing foreign market for every ounce of our surplus agricultural, mineral, and manufactured products.

Mr. SHORTRIDGE. To end this controversy and yield the floor, I ask the Senator if he thinks the oil men of America can compete with foreign producers; if the people of California engaged in the poultry industry can compete with China; if those in Wisconsin or Michigan, for example, engaged in dairying can compete with all other countries; if the cotton people, in respect to the long-staple variety, can compete with the long-staple cotton producers of Egypt? In other words, I take it the Senator is a free trader, a low-tariff advocate, and hence is opposed to the existing law and thinks that there should be a general reduction of all the rates fixed in the present law, and proposes also that we should enter into negotiations with foreign countries, all to the end that there might be a free exchange of commodities among or between the nations of the world.

Mr. TYDINGS. Mr. President—

The VICE PRESIDENT. Does the Senator from California yield to the Senator from Maryland?

Mr. SHORTRIDGE. I yield.

Mr. TYDINGS. The Senator makes reference to the low cost of production of foreign oil. He assumes a fact which does not exist.

Mr. SHORTRIDGE. There is a differential of at least \$1.03 per barrel between Venezuelan oil and Louisiana or California oil. I know it.

Mr. TYDINGS. If the Senator will bear with me, I will show that his premise is erroneous.

Mr. SHORTRIDGE. Proceed; but the Senator can not show it.

Mr. TYDINGS. I hold in my hand the pay roll of the Pan American Oil Co. for six months in Venezuela. Often we hear upon the floor of the Senate the assertion that this oil is produced by peon or slave labor. Let us see how much the labor gets.

A driller gets \$350 a month. He gets a subsistence allowance of \$123 a month in addition, making a total of \$502 a month.

A tool pusher gets \$450 a month in Venezuela and a subsistence allowance of \$123. He also gets a vacation allowance of \$37, making a total monthly allowance of \$610.

A machinist gets \$250 a month, a subsistence allowance of \$123, and \$21 a month vacation allowance, or a total monthly allowance of \$394.

A boilermaker receives \$225 a month—

Mr. SHORTRIDGE. This is all in the RECORD.

Mr. TYDINGS. No; it has not been put in the RECORD. The point I want to make with the Senator is that these wages, with the subsistence allowance, are higher than are paid in any oil field in America.

Mr. SHORTRIDGE. The question is, What does it cost to produce or bring forth a barrel of crude oil or petroleum in Venezuela and what does it cost to bring forth a barrel of crude oil in Louisiana or in Oklahoma or in Texas or in California? According to the detailed examination and conclusions of the Tariff Commission, the difference or the differential is at least \$1.03.

Mr. TYDINGS. Will the Senator yield right there?

Mr. SHORTRIDGE. I am not dealing with individual wages.

Mr. TYDINGS. Will the Senator yield?

Mr. SHORTRIDGE. For a question or two only.

Mr. TYDINGS. The \$1.03, as the Senator knows, applies only to certain grades of oil. There are oils of various degrees of viscosity, and the Senator knows that is not a constant figure. I have only to refer to the speech made by the Senator from North Dakota [Mr. NORBECK] the other day, who stated that he had gone into this matter very carefully and explained in great detail that the dollar increase as a differential did not apply.

Mr. SHORTRIDGE. I take it from the Senator's remarks, then, that he does not favor any tariff on crude petroleum?

Mr. TYDINGS. No; and for this reason—

Mr. SHORTRIDGE. The Senator believes—

Mr. TYDINGS. Will the Senator let me answer his question?

Mr. SHORTRIDGE. Allow me to put the question in the affirmative form.

Mr. TYDINGS. Very well, I will wait until the Senator finishes.

Mr. SHORTRIDGE. The Senator believes in admitting crude petroleum, oil, from any or all countries free of any duty? Is that a fair way to put the question?

Mr. TYDINGS. Will the Senator now give me an opportunity to answer the question?

Mr. SHORTRIDGE. Let the Senator answer yes or no.

Mr. TYDINGS. First of all, let us see how much good it will do.

Mr. SHORTRIDGE. I am not asking that question.

Mr. TYDINGS. I am going to give the Senator an answer, but I do not want to answer him in his words.

Mr. SHORTRIDGE. No; I want the Senator to answer yes or no.

Mr. TYDINGS. I am going to answer the Senator categorically, but I am going to tell him the reason for the answer first, because I do not want to be cut off and have a false impression created.

Mr. SHORTRIDGE. The Senator has taken many hours during the last week in explaining his theories in respect of oil and other imports; and I have enjoyed listening to him and been enlightened, but not persuaded or convinced. I now merely wish to ask him a question and not invite a repetition of arguments heretofore made.

Mr. TYDINGS. I will be glad to answer the Senator's question if he will give me the chance.

Mr. SHORTRIDGE. Well, I will withdraw the question, then.

Mr. TYDINGS. I am sorry the Senator has withdrawn it.

Mr. LONG. Mr. President—

Mr. SHORTRIDGE. I yield to the Senator from Louisiana.

Mr. LONG. I want to ask the Senator a question, if he will give just about one minute to me. As a matter of fact, he might include the taxes that are paid on American oil; that alone would take up more than the tariff—merely the item of taxes.

Mr. SHORTRIDGE. Exactly.

Mr. LONG. I do not suppose the simple item of royalties would take up more than the difference. The table the Senator has read we have seen many times before, have we not?

Mr. SHORTRIDGE. We have, indeed.

Mr. LONG. Practically every time the subject has been under discussion.

Mr. TYDINGS. Mr. President, will the Senator yield to me?

Mr. SHORTRIDGE. Yes; I yield.

Mr. TYDINGS. I should like to read the Senator a few short paragraphs.

Mr. SHORTRIDGE. From what document?

Mr. TYDINGS. Of statistics.

The Standard Oil Co. of New Jersey, according to the Journal of Commerce of February 16, 1931, last year sold something over 3,000,000,000 gallons of gasoline in addition to its other products. Its imports were approximately 10,000,000 barrels.

It sold 3,000,000,000 gallons and only imported 10,000,000 barrels.

Could anything be more ridiculous than the argument based upon such premises, that $2\frac{1}{2}$ cents per gallon tax on gasoline will reach a gross intake of at least \$67,500,000 a year to New Jersey on this little 3,000,000,000 basis?

That, of course, refers only to the American market.

It is also pointed out that the Standard Oil Co. of New Jersey wants oil kept on the free list. I am pointing out to the Senator that an infinitesimal part of all the oil sold by that company was imported.

Another one of the companies is the Dutch Shell. The Senator knows that the Dutch Shell Co. has the third largest holding of American producing oil fields of any company in the country. In other words, one of these companies whose imports are to be excluded has already bought the third largest local production in America. So it will not make a bit of difference whether the oil is excluded or not, because the bulk of their supply is now coming from the home field.

Mr. SHORTRIDGE. I see that certain inferences are to be drawn or conclusions reached from the facts to which the Senator refers, but I go back to the primal question.

Mr. TYDINGS. Now, I will give the Senator his answer.

Mr. SHORTRIDGE. The Senator favors—and it is not to engage in any discussion of the matter that I put the question to him—the Senator therefore, favors the admission of oils, for brevity, without the payment of any duty?

Mr. TYDINGS. I do and for the reasons stated.

Mr. SHORTRIDGE. Exactly, Mr. President, I am ready for a vote.

The VICE PRESIDENT. The question is on the amendment reported by the committee.

Mr. WALSH of Massachusetts. Mr. President, I should like to inquire of the Senator from Tennessee [Mr. HULL] if his amendment would bring about any increase in the protective tariff of the United States if one particular nation entered into an agreement with the United States not to increase its tariff?

Mr. HULL. Mr. President, if the Senator will permit me, I think it is evident that people of all degrees and shades of tariff persuasion in this country and in most other countries upon a careful, calm review and examination of the present hopelessly obstructed condition of trade and finance and commerce, especially in all international channels, will agree

that some degree of concerted action on the part of all the principal countries is very important and really very necessary in justice to each. The parliamentary government of each nation would, of course, proceed in its own way in readjusting tariffs downward and in liberalizing commercial policy, but the proposal submitted by me makes the appeal to all alike.

Mr. WALSH of Massachusetts. The amendment does not propose committing the United States Government to enter into an agreement with any one country not to raise rates, and then, after a period of two years to enter into agreements with a substantial number of the other nations that they will not raise any of their tariffs?

Mr. HULL. The amendment is really an invitation on the part of this country to others to take a two years' vacation from this wild movement upward in tariff rates. Outside of that the amendment will amount to nothing unless and until the other countries subscribe to the same proposal.

Mr. WALSH of Massachusetts. It would not permit an agreement being made by the United States with any one country?

Mr. HULL. No.

The VICE PRESIDENT. The question is on the amendment reported by the committee, on which the yeas and nays have been ordered. The Secretary will call the roll.

Mr. HARRISON. Mr. President, a parliamentary inquiry. The question is, is it not, on the amendment of the Senator from Tennessee [Mr. HULL] to the amendment of the committee?

The VICE PRESIDENT. The Chair is advised that the Senator from Tennessee did not offer the amendment, but simply stated he would offer it.

Mr. HULL. It is offered as a separate paragraph immediately following the committee amendment.

Mr. WALSH of Massachusetts. I desire to offer an amendment to the committee amendment. I move to insert, in line 7, page 244, following the word "sides," the words "excepting flooring."

If this language were incorporated in the amendment, it would make clear that a duty of \$3 per thousand feet board measure should not apply to flooring.

Mr. DILL. Mr. President, will the Senator yield to me to call for a quorum?

Mr. WALSH of Massachusetts. No.

Mr. DILL. Those who are the proponents of the amendment are not here, and I think they ought to be here.

Mr. WALSH of Massachusetts. Senators are tired of acting like bell hops answering quorum calls, and I am not going to be a party to bringing them here at this time.

Mr. DILL. Mr. President, if the Senator will yield to me for a moment, this question was up earlier in the day and the Senator from Oregon [Mr. STEIWER] said he had no objection to this amendment being incorporated in the pending amendment. My colleague the senior Senator from Washington [Mr. JONES] is not on the floor, and I had hoped he might be here, because he is better prepared to decide whether or not this amendment should be accepted than is perhaps anyone else.

Mr. WALSH of Massachusetts. I suggest that in the brief time I am taking the junior Senator from Washington may send for the senior Senator from Washington [Mr. JONES] and the Senator from Utah [Mr. SMOOR].

Mr. President, I am going to be very brief. I think Senators are tired responding to quorum calls every 10 or 15 minutes. I think we ought to do some business here without requiring Senators constantly to answer to such calls. We hardly get through one quorum call and Senators come in than there is another.

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. I yield to the Senator from Arizona.

Mr. ASHURST. The Senator is right, because when a quorum is called Senators come in and expect to vote, but, instead of voting, they find that some other Senator gets the floor and begins a speech, and they all leave and justly and properly so. [Laughter.]

Mr. WALSH of Massachusetts. I will not, of course, ask for action until the Senators referred to are present, but they are familiar with the point I am making. When I had the floor this morning I said that I thought flooring was included within the term "lumber," and I used the definition of the American lumber standards that has been adopted by a unanimous action in four general lumber conferences. The definition which they give is as follows:

Lumber is the product of the saw and planing mill not further manufactured than by sawing, resawing, and passing lengthwise through a standard planing machine, crosscut to length and matched.

Under this definition all "lumber" is then classified into three major divisions: (a) Yard lumber, (b) structural timbers, and (c) factory or shop lumber.

A large number of forms of lumber are enumerated which it is claimed come within the definition of lumber. Among these materials of wood are finish, casing and base, flooring, ceiling, siding, partition, silo stock, ladder stock, piano posts, cross arms, and other wood cut in the sawmill and planed or not planed for specified uses. Boards, dimension, joists and plank, small sawed timbers, large sawed timbers, sawed cross and switch ties, small dimension stock—that is, stock ready cut to specified, usually small, dimensions, lath, shingles (possibly), and veneer (possibly).

The trade considers flooring as lumber; I do not think the proponents of this amendment desire flooring to be included; but I want to make sure it is excluded, and that is why I am proposing this amendment.

Mr. President, let me add that we can not read this law in connection with existing tariff law. The two are entirely separate. The so-called tariff items in this bill are exempt from the flexible-tariff provision. No one can petition, if we shall adopt this amendment, to have these duties raised or lowered.

Mr. LONG. Mr. President—

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Louisiana?

Mr. WALSH of Massachusetts. I yield.

Mr. LONG. I do not see any reason why, if we are going to have a lumber tariff, flooring ought to be excepted or treated different from any other kind of lumber. What reason does the Senator urge why it is proper to put tariff on weatherboards and ceiling and not on flooring?

Mr. WALSH of Massachusetts. That is just the point. I want to have it clearly settled whether we are going to include flooring or not. I assume the proponents of the original amendment will agree that flooring should be excluded. It already has a tax of 8 per cent, and if it is included in this provision a further tax will be put on flooring, for it will have a tax of 8 per cent plus \$3 per thousand. Does the Senator understand that?

Mr. LONG. I did not know that.

Mr. WALSH of Massachusetts. Yes; unless this amendment shall be adopted, flooring such as is used in the ordinary house, which sells for about \$40 a thousand, will have a tax of 8 per cent on a thousand feet. On that flooring there is already a tax of \$3.20; and if flooring shall be embraced in the word "lumber," the adoption of the pending amendment without amendment would mean a tax of \$6.20.

Mr. LONG. I see a valid reason why the amendment should be accepted. I did not know the circumstances, and I thank the Senator.

Mr. JONES entered the Chamber.

Mr. WALSH of Massachusetts. I will say to the Senator from Washington that I have offered an amendment to the amendment proposing to incorporate in the amendment the words "except flooring." I think from the discussion we had a few minutes ago the Senator is rather inclined to be of the opinion that flooring was not intended to be embraced in the term "lumber." Therefore I assume the Senator accepts this amendment.

Mr. JONES. I do not understand that I had any conversation that would lead anybody to that conclusion. I think, certainly, flooring is lumber.

Mr. WALSH of Massachusetts. That proves just what I have been contending here. The Senator from Oregon [Mr. STEIWER] challenged my statement that it did include lumber. He said it does not include lumber. Let us have it determined, because that is a very important item, and it means 100 per cent increase in the tax on flooring if it is incorporated.

Mr. JONES. Mr. President, I understand that the Senator contends that on flooring there is now a tax of 8 per cent.

Mr. WALSH of Massachusetts. Eight per cent.

Mr. JONES. That is in another paragraph somewhere else?

Mr. WALSH of Massachusetts. Exactly.

Mr. JONES. I do not think that is covered by this item.

Mr. WALSH of Massachusetts. I am very glad to hear the Senator say so; but I raised the question that this law could not be associated or connected with the tariff law. It is entirely set apart, as a separate law. We have exempted the flexible tariff provisions from operating so far as these items are concerned.

Mr. JONES. I can not agree with the Senator in that respect. I think every tariff item is subject to the commission's power to act.

Mr. WALSH of Massachusetts. The language is right here. I have had an amendment on the subject drawn by the experts. The language is right here, providing that no items in this bill shall be subject to the flexible tariff provisions.

Mr. JONES. I did not know that item was in the bill. It certainly is not a part of my amendment.

Mr. WALSH of Massachusetts. That is the trouble. The people of the country do not know it, either. They will be very much astonished when they wake up and find that we have made a tariff bill here distinct and separate from the policy we have adopted now for 10 years; that we have set apart these items with a special tax, away from consideration and review by any board or by the President, and that Congress alone can act.

Mr. JONES. May I ask the Senator if that provision has been adopted as a part of this bill?

Mr. WALSH of Massachusetts. It has not been specifically acted on by the Senate, but it is in the House text.

Mr. JONES. I am not in favor of that provision myself.

Mr. WALSH of Massachusetts. The Senator is not in favor of it?

Mr. JONES. No.

Mr. WALSH of Massachusetts. I am glad to hear that.

Mr. JONES. I think these tariff items ought to be subject to the Tariff Commission just the same as if they were in any other law.

Mr. WALSH of Massachusetts. I am very glad to hear that.

Mr. JONES. But I do not want to assume that that provision will be adopted by the Senate.

Mr. WALSH of Massachusetts. Will the Senator agree to the amendment that I am now proposing, excepting flooring?

Mr. JONES. I do not think so. I do not know whether there is a technical definition of lumber or not. I suppose probably there is; but I want whatever may be covered by that technical word, however it is construed. I take it that flooring is lumber. I assume that it is lumber. I can not imagine what else it could be.

Mr. WALSH of Massachusetts. I understood that if the Senator was informed that there was a separate tax of 8 per cent on flooring in the present law, he would exclude flooring from this particular tax.

Mr. JONES. Not expressly. I will leave that to the construction of the commission.

Mr. STEIWER. Mr. President, will the Senator yield to me?

Mr. WALSH of Massachusetts. I yield to the Senator from Oregon.

Mr. STEIWER. I think there was a little confusion between the Senator from Massachusetts and myself this

morning, due to the fact that apparently neither one of us kept in mind the fact that paragraph 402 of the act of 1930 is limited to certain kinds of flooring, namely, maple, birch, and beech. As I understand now, the Senator from Massachusetts attempts by his amendment to except all flooring, which would include the softwood floorings as well.

Mr. WALSH of Massachusetts. All floorings; yes.

Mr. STEIWER. The argument for the exception which the Senator would seek to make would be sound within the theory upon which he is proceeding so far as the three hardwood floorings are concerned. The argument would not apply, however, to floorings of softwood.

Mr. WALSH of Massachusetts. The Senator is willing that the words "except flooring" shall be incorporated if they apply only to hardwoods?

Mr. STEIWER. I would not want to take the responsibility of doing that. I can not speak for other Senators.

Mr. WALSH of Massachusetts. Has not the tariff of 8 per cent on flooring resulted in diminishing the importations of flooring, so that there is not any need of an increased tax?

Mr. STEIWER. I think there is a diminished importation. I am not so sure that it is the result of the tariff. Certainly, however, the Senator would not want to extend his amendment to the point of covering softwood flooring.

Mr. WALSH of Massachusetts. I would want to extend it to all that kind of flooring which in the present law bears a tax of 8 per cent. That seems to me fair. That is already covered.

Mr. STEIWER. Of course, from the standpoint of those who are advocates of this duty, that would be far less objectionable than the present form of the Senator's proposal.

Mr. WALSH of Massachusetts. Something has been said about these duties being exempt from the flexible provisions. Let me call the attention of Senators to page 240, which is in the House text and can be removed only by an amendment from the floor, which I expect to offer later. Paragraph (b), on page 239, reads as follows:

(b) The tax imposed under subsection (a) shall be levied, assessed, collected, and paid in the same manner as a duty imposed by the tariff act of 1930, and shall be treated for the purposes of all provisions of law relating to the customs revenue as a duty imposed by such act, except that—

(1) The value on which such tax shall be based shall be the sum of (A) the dutiable value (under section 503 of such act) of the article, plus (B) the customs duties, if any, imposed thereon under any provision of law.

(2) For the purposes of section 489 of such act (relating to additional duties in certain cases of undervaluation) such tax shall not be considered an ad valorem rate of duty or a duty based upon or regulated in any manner by the value of the article, and for the purposes of section 336 of such act (the so-called flexible tariff provision) such tax shall not be considered a duty.

Clearly exempting them.

Now, Mr. President, I think we ought to have a vote. Let the Senators know just what we are voting on. The question is whether we shall proceed to put a tax upon rough lumber of \$3 per thousand feet, a tax upon sawed lumber of \$3 plus \$1 already there, making a total of \$4 per thousand, and also a tax upon flooring which bears a duty of 8 per cent ad valorem in the present law, and add to that a tax of \$3 per thousand feet, which will represent an increase. I am informed, of 100 per cent in the tax on flooring that goes into the homes of all the people of this country. We now have a tax of 8 per cent, and this is 100 per cent increase.

Mr. TRAMMELL. Mr. President—

Mr. WALSH of Massachusetts. I yield to the Senator from Florida.

Mr. TRAMMELL. Is the provision of the bill which provides that this character of tax shall not be held to be a duty in general terms, or is it merely for the purpose of being passed upon by the Tariff Commission under the flexible provision?

Mr. WALSH of Massachusetts. It is a separate tariff bill that we are dealing with. This has no connection with the tariff law. It is eliminated from it; and we can not take up this law, when we come to interpret what lumber is, and read some section in another law.

Mr. TRAMMELL. The point I had in mind, about which I desired to ask the Senator, was this: If the provision in question differentiates this character of tax from a tariff tax, then would it not be a cumulative tax? Would not the tax provided in the tariff law apply as well as the tax provided here, so that we would have a cumulative tax—in other words, \$1 a thousand on lumber under the tariff act and \$3 a thousand under the provisions of this law?

Mr. WALSH of Massachusetts. Exactly.

Mr. TRAMMELL. Therefore we would have a duty of \$4 a thousand.

Mr. WALSH of Massachusetts. Exactly.

Mr. TRAMMELL. It would be a cumulative tax, unless we specifically repeal the provisions of the tariff act applying to this particular item.

Mr. WALSH of Massachusetts. The Senator is asserting what I have tried to say and have been saying here for some time.

Mr. FLETCHER. Mr. President—

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the senior Senator from Florida?

Mr. WALSH of Massachusetts. I do.

Mr. FLETCHER. The point is this: Under the tariff law there is a duty of \$1 a thousand on dressed lumber. This bill is intended to cover rough lumber. It has not anything to do with dressed lumber, but it deals with rough lumber. Therefore it does not cover the same items.

Mr. WALSH of Massachusetts. This amendment covers both dressed lumber and rough lumber. It takes rough lumber—which is one-half of the consumption of lumber in this country—off the free list and puts a tax of \$3 a thousand feet on it. It takes dressed lumber, which has a tax of \$1 and adds a tax of \$3. I am amazed at the fact that Senators are voting for these tariff duties without understanding that they are cumulative duties.

Mr. FLETCHER. What the Senator proposes is to except flooring. The flooring generally used in our part of the country, and all over the country for that matter, is yellow pine. It is not a kind of flooring that now carries a duty. It is not birch or maple or hardwood at all. When we specify that we shall except flooring, that means all flooring; and therefore any kind of flooring that is not birch or maple, such as mentioned in the tariff law, would have no duty on it. We might as well put in the tariff law aluminum flooring, which would be just as distinct from pine as birch and maple.

Mr. WALSH of Massachusetts. Mr. President, at the suggestion of the Senator from Washington I will modify my amendment so as to read as follows:

On line 7, page 244, after the word "sides," insert the following:

Except flooring made of maple (except Japanese maple), birch, and beech.

Mr. JONES. I think I am ready, so far as I am concerned, to accept that amendment.

Mr. WALSH of Massachusetts. Let us have a vote on it.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Massachusetts to the amendment of the committee.

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The question now is upon agreeing to the committee amendment as amended. On that question the yeas and nays have been ordered.

Mr. TYDINGS. Mr. President, I should like to offer an amendment.

On page 244, line 9, strike out the period and insert a comma and add:

Provided, however, That a tax equal to one-half the amount herein stated shall be levied at the source and paid into the Treasury of the United States as a special tax.

Mr. President, the purpose of that amendment is this: The people who are asking for this \$3 tariff on lumber will raise their price \$3 a thousand feet on lumber; and, inasmuch as this is a revenue bill, is it too much to ask that at

least half of the increase in price shall be paid into the Federal Treasury?

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. TYDINGS. Yes; I yield.

Mr. COUZENS. I was wondering if the Senator thought we could assess the foreigners where the lumber has its source.

Mr. TYDINGS. If it comes into this country, the foreigner will be assessed. He will have to pay \$3 a thousand; but the American producer will have to pay \$1.50 a thousand.

Mr. COUZENS. But we can not tax it at the source, because the source is in a foreign country.

Mr. TYDINGS. But no matter if it is not taxed at the source in a foreign country, the minute it comes over the border it is taxed, no matter what the source may have been. It is taxed \$3 a thousand. If the foreign exporter is to be taxed \$3 a thousand, thereby permitting all the American lumber producers to raise their price \$3 a thousand, why should not these men who are benefited to the extent of that \$3 raise share half of it with their Government in this hour of deficit?

Mr. COUZENS. I am unable to see how that could be executed, because prices would be varying all over the country, and we have no assurance that all of this lumber would be raised here.

Mr. TYDINGS. Whatever lumber comes within this category, at its source the owner of that lumber would be compelled to pay the Government a tax of half the amount he is benefited by this tariff.

Mr. JONES. Mr. President, as I understand the Senator's contention, it would be this, that the foreign exporter from Canada into this country would pay the \$3 when he sends it in?

Mr. TYDINGS. That is right.

Mr. JONES. And then every producer of lumber in this country would have to pay \$1.50 a thousand?

Mr. TYDINGS. That is right, because we all know that the American producer is going to take \$3 in special taxes from the American consumer.

Mr. JONES. We do not grant that at all.

Mr. TYDINGS. Then this tax would not be any good, and all of us are going to pay \$3 a thousand more for our lumber. These poor, impoverished people for whom we bleed and plead every day, and 10,000,000 of whom are now out of employment, and have been out of employment for a year, and are now to be taxed to the extent of \$1,200,000,000, are to pay a further tribute to the lumber companies in this hour of peril of \$3 a thousand, and all I am asking is that half that sum at least go into the Federal Treasury, that the lumber people not be allowed to keep it all.

The VICE PRESIDENT. The question is on agreeing to the amendment to the amendment, which will be reported for the information of the Senate.

The LEGISLATIVE CLERK. On page 244, line 9, after the word "articles," the Senator from Maryland proposes to insert a colon and the following proviso:

Provided, however, That a tax equal to one-half the amount herein stated shall be levied at the source and paid into the Treasury of the United States as a special tax.

The amendment to the amendment was rejected.

Mr. TYDINGS. Mr. President, I want to offer an amendment to strike out the committee amendment on page 244, lines 6 to 9, and insert in place of that the following language:

Aluminum hydroxide or refined bauxite, one-fourth cent per pound, in lieu of tariff duties heretofore levied.

That deals with the aluminum schedule. We all know that no aluminum is imported into the country. There is a complete embargo on that article; and, of course, we all know that the Aluminum Co. is among the companies which in this day of depression has stood out as not being in great difficulty.

Inasmuch as that company have a monopoly in this country, without an ounce of aluminum coming in, I think we ought to reduce the tariff and permit a little competition

and get a little revenue, and I would like to have a vote on that question.

I hope those sitting on this side of the aisle will permit a vote; but as I see many of those who might favor the amendment are absent, before we have the vote I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Jones	Sheppard
Austin	Cutting	Kean	Shipstead
Bailey	Dale	Kendrick	Shortridge
Bankhead	Davis	Keyes	Smith
Barbour	Dickinson	King	Smoot
Barkley	Dill	La Follette	Steiwer
Bingham	Fess	Logan	Stephens
Blaine	Fletcher	Long	Thomas, Idaho
Bratton	Frazier	McGill	Thomas, Okla.
Brookhart	George	McNary	Townsend
Broussard	Goldsborough	Moses	Trammell
Bulkeley	Hale	Neely	Tydings
Bulow	Harrison	Norbeck	Vandenberg
Byrnes	Hastings	Norris	Wagner
Capper	Hatfield	Nye	Walcott
Caraway	Hawes	Oddie	Walsh, Mass.
Carey	Hayden	Pittman	Walsh, Mont.
Cohen	Hebert	Reed	Watson
Connally	Howell	Robinson, Ark.	White
Coolidge	Hull	Robinson, Ind.	
Copeland	Johnson	Schall	

The VICE PRESIDENT. Eighty-two Senators having answered to their names, there is a quorum present.

Mr. TYDINGS. Mr. President, if I may withdraw the amendment, I would like to offer another in lieu of it, in order to clear up the wording of the committee amendment. On page 244, line 9, I move to strike out the period and insert a comma and the following:

Aluminum hydroxide or refined bauxite, one-fourth cent per pound, in lieu of existing duties.

In other words, that would reduce the tariff on aluminum 50 per cent. That is a product of which there are practically no imports. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HARRISON. Mr. President, I shall detain the Senate for but one moment, but I want to explain my vote.

In the Committee on Finance I opposed the inclusion of any tariff item in the pending bill. I have followed that course consistently in the Senate. Even though when the Hawley-Smoot bill was before us I voted for an amendment similar to that of the Senator from Maryland, and in conference tried to have such an amendment included in the bill, I do not feel justified at this time, in the consideration of this revenue bill, in voting for this tariff amendment or any amendment which seeks to reduce or increase any rate in the present law. In other words, by my votes I shall seek to keep this pending measure a revenue measure, and try to prevent having included in it any tariff items whatsoever.

The VICE PRESIDENT. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BRATTON (when his name was called). On this question I have a pair with the junior Senator from Oklahoma [Mr. Gore]. In his absence I withhold my vote.

Mr. BYRNES (when his name was called). I have a general pair with the junior Senator from Vermont [Mr. Austin]. I do not know how he would vote on this particular motion, and I withhold my vote.

Mr. HATFIELD (when his name was called). I have a general pair with the senior Senator from North Carolina [Mr. Morrison]. I do not know how he would vote, and I therefore withhold my vote.

Mr. HASTINGS (when his name was called). On this question I have a pair with the senior Senator from Alabama [Mr. Black]. Not knowing how he would vote, I withhold my vote.

Mr. THOMAS of Oklahoma (when his name was called). I have a pair with the senior Senator from Illinois [Mr. Glenn]. In his absence I withhold my vote.

Mr. TOWNSEND (when his name was called). I have a general pair with the senior Senator from Tennessee [Mr. McKELLAR], who is detained from the Senate on account of illness. In his absence I withhold my vote.

Mr. TYDINGS (when his name was called). I have a general pair with the senior Senator from Rhode Island [Mr. METCALF]. I transfer that pair to the junior Senator from Montana [Mr. WHEELER], and vote "yea."

The roll call was concluded.

Mr. JONES (after having voted in the negative). I have a general pair with the senior Senator from Virginia [Mr. SWANSON]. I transfer that pair to the senior Senator from Colorado [Mr. WATERMAN] and allow my vote to stand.

Mr. BINGHAM. Has the junior Senator from Virginia [Mr. GLASS] voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. BINGHAM. I have a general pair with that Senator and therefore withhold my vote.

Mr. BANKHEAD. I have a general pair with the senior Senator from Vermont [Mr. DALE]. In his absence I withhold my vote. If permitted to vote, I would vote "yea."

Mr. WAGNER (after having voted in the negative). I have a general pair with the junior Senator from Missouri [Mr. PATTERSON] who I understand has not voted. I transfer that pair to the junior Senator from Colorado [Mr. COSTIGAN] and let my vote stand.

Mr. FESS. The senior Senator from Idaho [Mr. BORAH] is necessarily detained from the Senate and is paired with the Senator from Illinois [Mr. LEWIS].

The result was announced—yeas 24, nays 48, as follows:

YEAS—24

Barkley	Cohen	La Follette	Robinson, Ark.
Blaine	Connally	Logan	Shipstead
Brookhart	Cutting	McGill	Smith
Bulkley	George	Norbeck	Stephens
Bulow	Hull	Norris	Trammell
Caraway	King	Nye	Tydings

NAYS—48

Ashurst	Fess	Kean	Sheppard
Bailey	Fletcher	Kendrick	Shortridge
Barbour	Frazier	Keyes	Smoot
Broussard	Goldsborough	Long	Steifer
Capper	Hale	McNary	Thomas, Idaho
Carey	Harrison	Moses	Vandenberg
Coolidge	Hawes	Neely	Wagner
Copeland	Hayden	Oddie	Walcott
Couzens	Hebert	Pittman	Walsh, Mass.
Davis	Howell	Reed	Walsh, Mont.
Dickinson	Johnson	Robinson, Ind.	Watson
Dill	Jones	Schall	White

NOT VOTING—24

Austin	Byrnes	Hastings	Patterson
Bankhead	Costigan	Hatfield	Swanson
Bingham	Dale	Lewis	Thomas, Okla.
Black	Glass	McKellar	Townsend
Borah	Glenn	Metcalf	Waterman
Bratton	Gore	Morrison	Wheeler

So the amendment of Mr. TYDINGS to the amendment of the committee was rejected.

Mr. WALSH of Massachusetts. Mr. President, I think the amendment just voted on has undoubted merit. In explanation of my vote, I would say that regardless of the merits or demerits of the amendment just voted on, my position is that I am opposed to all tinkering with the tariff in a revenue bill. I shall continue to vote against all tariff amendments to the pending bill.

Mr. WALSH of Montana. Mr. President, I think it quite likely there is a general misunderstanding concerning the amendment just voted on. It was an amendment to reduce the duty on aluminum hydroxide, of which there are practically no importations into the country at all. It is quite different from the duty on aluminum, which is 5 cents per pound.

Mr. TYDINGS. Mr. President, I offer the following amendment: On page 244, line 9, strike out the period, insert a comma, and add the following:

Potassium aluminum sulphate or potash alum and ammonium aluminum sulphate or ammonia alum, one-half cent per pound.

The present duty fixed by law is three-quarters of a cent per pound. This is a reduction of one-eighth of a cent per pound. I am going through the schedule. American busi-

ness finds itself, so far as the concerns covered by these items go, more prosperous than the rest of the country. This is a very good time to find out whether or not we want to give the taxpayers a little relief and get a little revenue for the Government.

I ask for the yeas and nays.

The VICE PRESIDENT. Is the demand seconded?

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BINGHAM (when his name was called). I have a general pair with the junior Senator from Virginia [Mr. GLASS], who is absent. Not knowing how he would vote, I withhold my vote.

Mr. BRATTON (when his name was called). Repeating my announcement of my pair with the Senator from Oklahoma [Mr. GORE] as on the previous vote, I withhold my vote.

Mr. BYRNES (when his name was called). Repeating my announcement that I have a general pair with the junior Senator from Vermont [Mr. AUSTIN], I withhold my vote.

Mr. HASTINGS (when his name was called). Making the same announcement as before, I withhold my vote.

Mr. HATFIELD (when his name was called). Making the same announcement as on the previous vote, I withhold my vote.

Mr. JONES (when his name was called). Making the same announcement as before, I vote "nay."

Mr. THOMAS of Oklahoma (when his name was called). Making the same announcement as before, I withhold my vote.

Mr. TOWNSEND (when his name was called). Making the same announcement as on the previous vote, I withhold my vote.

Mr. TYDINGS (when his name was called). Making the same announcement as before, I vote "yea."

Mr. WAGNER (when his name was called). Making the same announcement that I made on the previous vote, I vote "nay."

The roll call was concluded.

Mr. BANKHEAD. Making the same announcement as on a previous vote, I withhold my vote.

Mr. FESS. I wish to announce the following general pairs:

The Senator from South Dakota [Mr. NORBECK] with the Senator from Florida [Mr. FLETCHER]; and

The Senator from Idaho [Mr. BORAH] with the Senator from Illinois [Mr. LEWIS].

The result was announced—yeas 23, nays 45, as follows:

YEAS—23

Barkley	Cohen	La Follette	Shipstead
Blaine	Connally	Logan	Smith
Brookhart	Cutting	McGill	Stephens
Bulkley	George	Norris	Trammell
Bulow	Hull	Nye	Tydings
Caraway	King	Robinson, Ark.	

NAYS—45

Ashurst	Frazier	Keyes	Steifer
Barbour	Goldsborough	Long	Thomas, Idaho
Broussard	Hale	McNary	Vandenberg
Capper	Harrison	Moses	Wagner
Carey	Hawes	Neely	Walcott
Coolidge	Hayden	Oddie	Walsh, Mass.
Copeland	Hebert	Reed	Walsh, Mont.
Couzens	Howell	Robinson, Ind.	Watson
Davis	Johnson	Schall	White
Dickinson	Jones	Sheppard	
Dill	Kean	Shortridge	
Fess	Kendrick	Smoot	

NOT VOTING—28

Austin	Byrnes	Hastings	Patterson
Bailey	Costigan	Hatfield	Pittman
Bankhead	Dale	Lewis	Swanson
Bingham	Fletcher	McKellar	Thomas, Okla.
Black	Glass	Metcalf	Townsend
Borah	Glenn	Morrison	Waterman
Bratton	Gore	Norbeck	Wheeler

So the amendment of Mr. TYDINGS to the amendment of the committee was rejected.

Mr. WALSH of Massachusetts. Mr. President, in explanation of my vote I would say that regardless of the merits or demerits of the amendment just voted on, my position is that I am opposed to all tinkering with the tariff

in a revenue bill. I shall continue to vote against all tariff amendments to the pending bill.

Mr. TYDINGS. Mr. President, I propose the following amendment: On page 244, line 9, strike out the period, insert a comma, and add the following:

Aluminum sulphate, alum cake, or aluminous cake, containing not more than 15 per cent of alumina and more iron than the equivalent of one-tenth of 1 per cent of ferric oxide, one-tenth cent per pound; containing more than 15 per cent of alumina or not more iron than the equivalent of one-tenth of 1 per cent of ferric oxide, one-sixth cent per pound; all other aluminum salts and compounds not specially provided for, 20 per cent ad valorem.

This is the aluminum itself. May I say to those who are present that there is no tariff in the whole schedule that is more deserving of a reduction than the aluminum tariff. It is a complete monopoly. All the people in America pay tribute to this big monopoly. At a time when the taxpayers are being burdened with these new imposts, let us give them a little break on aluminum. I ask for the yeas and nays.

Mr. WALSH of Montana. Mr. President, may I say that this is not by any means what is known as commercial aluminum at all. That is taken care of in an entirely different provision of the act. The item referred to by the Senator is taxed under paragraph 6 of the tariff act. The duty on aluminum is taken care of in an entirely different paragraph of the act.

Mr. COUZENS. Mr. President, in view of the fact that so many Senators are explaining their vote, I want to say that I shall vote against every change in tariff rates where no hearing was held before the Committee on Finance.

I am surprised at Senators voting haphazardly to change tariff rates, especially in view of the fact that they advertise their fairness in wanting to give the public a chance to be heard. There is no opportunity for anyone interested in any of these proposed changes in rates to have a hearing before the Finance Committee. Therefore I am going to vote against all of the proposed amendments, not knowing anything about their merits.

Mr. KING. Mr. President, there is much in the observation just submitted by the able Senator from Michigan. However, there are some Senators, and I think no inconsiderable number, who are familiar with the hearings heretofore had in connection with the 1930 act, the so-called Smoot-Hawley Act, as well as in connection with the act of 1923. Extensive hearings were conducted when both of those measures were under consideration not alone in the House but also in the Senate. I am sure that Senators are familiar—if they will think for a moment—with the testimony which was offered, all of which demonstrated, beyond peradventure of a doubt, that there was a monopoly in the case of the Aluminum Co. or Corporation in the United States and that that monopoly extended to what might be denominated ancillary commodities, which are constituent parts of the aluminum product itself.

I am sure that the commodities which were embraced in the two preceding amendments come within the purview of the observations which I have just made. They constitute a part, directly or indirectly, of aluminum, and they are controlled, directly or indirectly, by the Aluminum Trust.

If these were propositions de novo, as to which no hearings had been had and as to which no information were available, then the position taken by the able Senator from Michigan would be invincible, and we would all be compelled to assent to the conclusion which he announced.

Mr. SMITH. Mr. President, I think, in view of the splendid condition which the country finds itself as a result of the operation of the present tariff law, a good many of us are justified in giving the people the benefit of the doubt and in voting whenever we can to modify or lower present tariff rates. Therefore every chance I get I am going to vote to do that thing. I think the practical result of the existing tariff law is so manifest to us all that we do not desire to have any more lobbyists before committees to tell us what we ought to do, when the vast public that pays the bill does not appear before the committees.

Mr. LONG. Mr. President, the distinguished Senator from Maryland [Mr. TYDINGS] flashed before the Senate 500

amendments which he intends to offer if an oil tariff shall be voted. It was practically the same as saying, "If you touch the Standard Oil Co., I will make it impossible for a bill to be passed at this session." I have no hesitation whatever in saying that I gladly will continue to vote against all amendments of this kind which may be offered.

Mr. TYDINGS. I am certainly delighted that we shall have that character of opposition. I ask for the yeas and nays.

Mr. WALSH of Montana. Mr. President, the duty on aluminum is found in paragraph 374 of the tariff act, which reads as follows:

Aluminum, aluminum scrap, and alloys (except those provided for in paragraph 302) in which aluminum is the component material of chief value, in crude form, 4 cents per pound; in coils, plates, sheets, bars, rods, circles, disks, blanks, strips, rectangles, and squares, 7 cents per pound.

The paragraph to which this amendment is directed is paragraph 6, which is a subdivision of the schedule on chemicals, oils, and paint. I am very sure that Senators voting are unaware that this amendment does not relate to the ordinary commercial product of aluminum at all but to the chemical product.

Mr. TYDINGS. Mr. President—

The VICE PRESIDENT. Is there a second to the request for the yeas and nays?

Mr. TYDINGS. Mr. President, I think what the Senator from Montana [Mr. WALSH] has said is true, except with this qualification: That all these chemicals are made in part from aluminum.

Mr. COPELAND. Mr. President, since this bill came before us I have been approached by representatives of a great many interests in my State seeking increased tariff rates. Senators will remember the fight I made to have gypsum given tariff protection. I thought then, and I think now, that gypsum is entitled to such protection. There are other items—wires, fats, fish oils, and many other commodities—which should be protected, but I have said to all my constituents that I do not consider it a proper thing to have tariff items considered in this bill. That is my attitude, and it is my intention, no matter if items which are of interest to my State are presented here, whether they provide for increases or decreases, to vote against them all. I want the RECORD to show why the vote of "no" will come every time from my lips.

I am in bitter opposition to the inclusion of such items in a tax bill. If we will wait for another time and bring in a revision of the tariff, limited, I hope, if it ever comes again, then it will be my joy to give consideration to any tariff matter which may be presented; but at this time—I am not here to criticize any other Senator—because I feel it would be improper for me to vote for any tariff items, I shall vote against every such proposal which may be presented.

The PRESIDING OFFICER (Mr. FESS in the chair). The yeas and nays are demanded. Is there a second?

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BRATTON (when his name was called). Repeating the announcement as to my pair with the Senator from Oklahoma [Mr. GORE], I withheld my vote.

Mr. BULOW (when his name was called). On this vote I have a pair with the senior Senator from New Jersey [Mr. KEAN], and therefore withhold my vote. If the Senator from New Jersey were present, he would vote "nay," and if I were permitted to vote I should vote "yea."

Mr. HASTINGS (when his name was called). Making the same announcement as on the last roll call with reference to my pair, I withhold my vote.

Mr. HATFIELD (when his name was called). Repeating my previous statement respecting my general pair with the senior Senator from North Carolina [Mr. MORRISON], I withhold my vote.

Mr. JONES (when his name was called). Making the same announcement as to my pair and its transfer as heretofore, I vote "nay."

Mr. LEWIS (when his name was called). I beg to announce that I am paired with the Senator from Idaho [Mr.

BORAH]. I can go no further than announce the pair, the Senator from Idaho being absent on some official errand.

Mr. THOMAS of Oklahoma (when his name was called). Making the same announcement regarding my pair as heretofore, I withhold my vote.

Mr. TOWNSEND (when his name was called). Repeating the announcement of my general pair with the senior Senator from Tennessee [Mr. McKellar], I withhold my vote.

Mr. TYDINGS (when his name was called). Making the same announcement as before with regard to my pair and its transfer, I vote "yea."

Mr. WAGNER (when his name was called). I am paired on this vote with the junior Senator from Missouri [Mr. PATTERSON]. I am not informed as to how he would vote if present. Therefore, I withhold my vote. If I were permitted to vote, I should vote "nay."

The roll call was concluded.

Mr. BINGHAM. I have a general pair with the junior Senator from Virginia [Mr. GLASS]. In his absence I withhold my vote.

Mr. NORBECK. On this vote I am paired and therefore withhold my vote. If permitted to vote, I should vote "yea."

Mr. BYRNES. Repeating the announcement of my general pair with the junior Senator from Vermont [Mr. AUSTIN], I withhold my vote.

Mr. COSTIGAN. I am authorized to state that the Senator from Alabama [Mr. BANKHEAD] is paired with the senior Senator from Vermont [Mr. DALE].

The result was announced—yeas 21, nays 43, as follows:

YEAS—21

Barkley	Connally	McGill	Stephens
Blaine	Cutting	Norris	Trammell
Brookhart	Hull	Nye	Tydings
Bulkeley	King	Robinson, Ark.	
Caraway	La Follette	Shipstead	
Cohen	Logan	Smith	

NAYS—43

Ashurst	Dill	Kendrick	Shortridge
Bailey	Fess	Keyes	Smoot
Barbour	Frazier	Long	Steiwer
Broussard	Goldsborough	McNary	Thomas, Idaho
Capper	Hale	Moses	Vandenberg
Carey	Harrison	Neely	Walcott
Coolidge	Hayden	Oddie	Walsh, Mass.
Copeland	Hebert	Reed	Walsh, Mont.
Couzens	Howell	Robinson, Ind.	Watson
Davis	Johnson	Schall	White
Dickinson	Jones	Sheppard	

NOT VOTING—32

Austin	Costigan	Hatfield	Patterson
Bankhead	Dale	Hawes	Pittman
Bingham	Fletcher	Kean	Swanson
Black	George	Lewis	Thomas, Okla.
Borah	Glass	McKellar	Townsend
Bratton	Glenn	Metcalf	Wagner
Bulow	Gore	Morrison	Waterman
Byrnes	Hastings	Norbeck	Wheeler

So Mr. TYDINGS's amendment to the amendment, reported by the committee, was rejected.

Mr. WALSH of Massachusetts. Mr. President, in explanation of my vote, I would say that regardless of the merits or demerits of the amendment just voted on, my position is that I am opposed to all tinkering with the tariff in a revenue bill. I shall continue to vote against all tariff amendments to the pending bill.

Mr. COSTIGAN. Mr. President, my personal position on the vote just taken in that this is a tax bill, not a tariff bill.

Mr. SMOOT. Mr. President, I ask unanimous consent that at the conclusion of the day's business the Senate take a recess until 11 o'clock to-morrow.

The PRESIDING OFFICER. Is there objection?

Mr. LONG. Just a minute, Mr. President.

Mr. SMOOT. The proposed agreement does not undertake to fix the time we shall recess to-night.

Mr. LONG. Very well.

The PRESIDING OFFICER. The Chair hears no objection, and it is so ordered. The question is on the amendment of the Senator from Maryland to the amendment of the committee.

Mr. TYDINGS. Mr. President, it may be asked why the Senator from Maryland is offering these amendments. There are two or three paragraphs that I should like to read

as to the reasons for offering the amendments I have offered and those I still have to offer.

On June 1, 1931, Canada enacted the Bennett tariff budget in retaliation to the Hawley-Smoot bill. When custom ports opened their doors on June 2 over 200 imports were affected by a drastic upward revision of the tariff.

It was a Detroit of Canada budget, chiefly favoring the auto and steel industries.

Not Detroit in the United States, but a little town over in Canada.

Steel tariffs were boosted as high as \$7 a ton. Imported autos carried duties up to 57½ per cent.

That is what Canada put on importations of automobiles from America.

Several hundred large United States corporations were immediately forced to establish Canadian subsidiaries to hold their valuable Canadian and British business.

The success of the Bennett budget was proven by the end of 1931, when Canada was the only large nation in the world selling more goods to the United States than she was buying from them, completely reversing her position of December, 1930, when she spent \$36,077,187 in the United States and sold \$26,155,348 to that country.

The complete development of Ojibway is expected to cost \$60,000,000 and will enable the Canadian Steel Corporation to supply the bulk of \$200,000,000 worth of steel which Canada now imports annually from the United States.

Investments of United States capital in Canada total \$4,000,000,000 and include 1,200 branches of widely known United States industries.

It is estimated that \$150,000,000 is invested in 130 United States plants in the Detroit of Canada. These industries make up an astounding list of names that are known throughout the world. Here is a partial list of United States industries in this rapidly growing district—

And listen to the names—

Swedish Crucible Steel Co., DeVilbiss Atomizer Co., Timken Roller Bearing Co., Minnesota Valley Canning Co., Goodyear Rubber Co., McCord Radiator Manufacturing Co., L. A. Young Industries, Berry Bros. Paint Co., Canadian Bridge Co., Penberthy Injector Co., Detroit Twist Drill Co., Vernors Ginger Ale Co., Truscon Steel Co., Lufkin Rule Co., Kelsey Wheel Co., Bayer Aspirin Co., General Foods Co., Herpicide Co., Sterling Products, Universal Cooler Co., Crane Co., Ferry-Morse Seed Co., C. H. Phillips Co., Hercules Products Co.

The Detroit manufacturer enjoys free trade with only the United States and its possessions, a market of 137,000,000 people. On practically all exports, he is faced with prohibitive duties at the foreign port.

The Detroit of Canada manufacturer not only benefits from the growing Canadian market but has free trade or preferential tariffs with the entire British Empire, totaling approximately 500,000,000 people—over one-fourth of the world's population.

Since we passed the Smoot-Hawley Tariff Act 1,200 concerns have moved over into Canada. Now, listen to this illustration, which brings the thing home to us:

Under present tariff arrangements the auto * * * below would be shipped from the Detroit of Canada plant, through the St. Lawrence to Australia, at a saving of \$400 over the same car shipped from the parent plant in Detroit to Australia.

In other words, an Australian can buy the same automobile from a Canadian manufacturer \$400 more cheaply than he can buy it from an American manufacturer. The same thing applies to practically every branch of the British Empire. Therefore, where we once had a foreign trade in automobiles, because of the Smoot-Hawley Act it is gone. Where American workmen used to make those automobiles, they are now made in Canada. Where American dollars used to be invested in the United States, and pay American income taxes and excise taxes and State taxes and local taxes, that capital is now to some extent invested in Canada, where it is employing Canadian workmen, paying Canadian income taxes and Canadian local taxes, and where we are not deriving a single bit of revenue.

The United States has followed a high-tariff policy while Canada has extended its trade relations to 113 countries in every part of the world. Annual exports total \$2,500,000,000, an increase of 50 per cent since 1922.

And is not this an astounding figure?

Since 1913 the growth of this trade has doubled the growth of United States export trade.

Do we want more of it? Shall we kill what little remaining world trade is left?

Here is a country which produces more than its people can consume. Its farmers raise enough food and cotton and other forms of clothing to supply a large part of the entire world. Unless the world can buy what the farmer raises, the farmer can not sell his products. Therefore, there is a surplus on the market; the price is depressed; and yet there are Senators here who are refusing to vote for a very slight decrease in some of the highest and most indefensible rates in the Smoot-Hawley Tariff Act.

Already Canada has taken our world trade in automobiles. Already she has taken our world trade in radiators. Already she has taken our world trade in seeds. She has largely taken our world trade in canned food. She has taken our world trade in many other products, simply because American capital has been driven to jump over the Canadian tariff fence and invest its money in Canada and employ Canadian workmen, leaving just that many American workmen out of a job; and here we are increasing the tariff all over again, locking the world up in water-tight compartments. Each nation, as a result of our action, is attempting to follow suit; and we, in our water-tight compartment, think we are safe, little realizing that when civilization, the ship of the world, goes down, it will take our compartment to the bottom with it.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashhurst	Cohen	Hayden	Robinson, Ark.
Bailey	Connally	Howell	Robinson, Ind.
Bankhead	Coolidge	Hull	Sheppard
Barbour	Copeland	Johnson	Smith
Barkley	Costigan	Jones	Smoot
Bingham	Couzens	Kendrick	Steiwer
Blaine	Cutting	Keyes	Thomas, Idaho
Borah	Davis	Logan	Thomas, Okla.
Bratton	Dickinson	Long	Tydings
Brookhart	Dill	McGill	Vandenberg
Broussard	Fess	McNary	Walsh, Mass.
Bulkley	Frazier	Neely	Walsh, Mont.
Bulow	George	Oddie	Watson
Capper	Goldsborough	Pittman	Wheeler
Caraway	Hatfield	Reed	White

The PRESIDING OFFICER. Sixty Senators having answered to their names, there is a quorum present.

Mr. TYDINGS. Mr. President, on page 244, line 9, I move to strike out the period, add a comma, and insert the following:

Ammonium carbonate and bicarbonate, 1½ cents per pound, in lieu of the existing duty.

Mr. President, the present rate is 2 cents a pound. This amendment represents a reduction of 25 per cent.

Mr. BULKLEY. Mr. President, I would like to inquire of the Senator from Utah whether it is a fact that the Committee on Finance has determined to withdraw the proposed amendment, on page 245, imposing an import tax on rubber, and in place of that to impose taxes on rubber manufactures?

Mr. SMOOT. On tires and tubes—3 cents on tires and 5 cents on tubes.

Mr. BULKLEY. That is exactly the report I had heard, and, in view of the statement, I would like to have printed in the RECORD at this point a table showing the effect of that proposed tax on the regular standard weights of tires and tubes. This table has been furnished to me by the Rubber Manufacturers' Association, and at the proper time I would like to make some comments on the fairness of the proposed rate. But for the present I ask to have the table printed in the RECORD for the information of the Senate.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Statement showing effect on dealers' business of proposed tax of 3 cents per pound on tires and 5 cents per pound on tubes

	Weight of tire and flap	Dealer's net purchase price	Tax, at 3 cents per pound	Ratio of tax to purchase price
<i>First-line tires</i>	<i>Pounds</i>			<i>Per cent</i>
4.50-21, 4-ply	15.28	\$4.82	\$0.46	9.5
4.75-19, 4-ply	16.70	5.26	.50	9.5
5.25-18, 4-ply	18.37	6.36	.55	8.6

Statement showing effect on dealers' business of proposed tax of 3 cents per pound on tires and 5 cents per pound on tubes—Continued

	Weight of tire and flap	Dealer's net purchase price	Tax, at 3 cents per pound	Ratio of tax to purchase price
<i>First-line tires—Continued</i>	<i>Pounds</i>			<i>Per cent</i>
5.50-18, 4-ply	21.18	\$7.07	\$0.64	9.1
6.00-18, 4-ply	23.39	7.86	.70	8.9
7.00-18, 6-ply	37.45	12.45	1.12	9.0
30 by 5, 6-ply	34.20	11.39	1.03	9.0
32 by 6, 8-ply	47.98	18.41	1.44	7.8
34 by 7, 10-ply	86.75	31.99	2.60	8.1
6.00-20, 6-ply, bus	34.84	11.85	1.04	8.8
<i>Second-line tires</i>				
4.50-21, 4-ply	14.93	4.05	.45	11.1
4.75-19, 4-ply	15.61	4.73	.47	9.9
5.25-18, 4-ply	18.07	5.61	.54	9.6
5.50-18, 4-ply	20.46	6.25	.61	9.8
6.00-18, 4-ply, none				
7.00-18, 6-ply, none				
30 by 5, 8-ply	40.07	10.81	1.20	11.1
32 by 6, 8-ply, none				
34 by 7, 10-ply	81.52	25.41	2.45	9.6
6.00-20, 6-ply, bus	33.52	10.14	1.01	10.0

	Weight of tube	Dealer's net purchase price	Tax at 5 cents per pound	Ratio of tax to purchase price
<i>First-line tubes</i>	<i>Pounds</i>			<i>Per cent</i>
4.50-21, Group B	2.09	\$0.83	\$0.10	12
4.75-19, Group B	2.31	.83	.12	14.4
5.25-18, Group C	2.40	.95	.12	12.6
5.50-18, Group C	2.98	1.17	.15	12.8
6.00-18, Group F	2.98	1.17	.15	12.8
7.00-18	3.92	1.48	.20	13.5
30 by 5	3.59		.18	
32 by 6	7.70	2.39	.39	16.3
34 by 7	11.76	3.48	.59	17
6.00-20	3.97	1.57	.20	12.7
<i>Second-line tubes</i>				
4.50-21, Group B	1.82	.58	.09	15.5
4.75-19, Group B	1.92	.66	.10	15.1
5.25-18, Group C	2.13	.75	.11	14.7
5.50-18, Group F	2.68	.90	.13	14.4
6.00-18, Group F	2.68	.90	.13	14.4
30 by 5	3.15	1.17	.15	12.8
32 by 6	5.05	1.78	.25	14.0
34 by 7	9.20	2.53	.46	18.2
6.00-20	2.97	1.06	.15	14.2

Statement showing effect on dealers' business of proposed tax of 3 cents per pound on solid truck tires

Size	Weight of solid tire including base band	Net dealers' billing price	Tax at 3 cents per pound	Ratio of tax to billing price
	<i>Pounds</i>			<i>Per cent</i>
26 by 5 heavy-duty cushion	146.9	\$27.02	\$4.41	16.3
36 by 6	179.1	34.49	5.37	15.6
36 by 8	234.9	49.88	7.05	14.1
36 by 10	305.7	63.25	9.17	14.5
40 by 14	512.4	97.61	15.37	15.7

REMONETIZATION OF SILVER

Mr. WHEELER. Mr. President, at this time I ask to have inserted in the RECORD a resolution adopted by the State Democratic convention of the State of Wyoming indorsing my bill for the remonetization of silver, together with a letter from Mr. John P. Rusk, a lawyer of Newcastle, Wyo., a letter from Mr. C. F. Morris, a lawyer of Havre, Mont., and a petition signed by numerous persons in favor of the remonetization of silver.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

NEWCASTLE, WYO., May 14, 1932.

HON. BURTON K. WHEELER,

United States Senator, Washington, D. C.

MY DEAR SENATOR: I attach copy of resolution that was adopted May 9, 1932, by the Democratic Party at its State convention held at Casper, Wyo., on that date.

I presented the matter to our Weston County (Wyo.) Democratic convention May 3, 1932, where the resolution was unanimously adopted and our county delegation was instructed to present the

matter to our State convention. As chairman of our county delegation, I drew up the resolution, had it presented to the resolutions committee of the State convention, which committee unanimously adopted it, and presented it to the convention itself, where it was again unanimously approved.

To give credit where it is due, permit me to say that the matter of this resolution was strongly called to my attention just a day or two before the date of our county convention by Mr. Elmer Goodson, Clareton, Weston County, Wyo. He told me that he had followed your efforts to help our money and credit condition closely and had circulated petitions in behalf of your bill in his community; that he had gotten signers just as fast as he could get to the voters with his petitions.

Unfortunately for our cause, the fact that our Democratic State convention unanimously adopted this resolution—in other words, went on record unanimously for the restoration of silver to its proper place in our monetary system—got no publicity at all. I doubt if it was mentioned in any of our newspapers. I believe I did see a line and a half or two lines in some news dispatch, but no comment, no publicity.

It is not at all likely that you will be able to get your bill up to a vote this session. Possibly next session the Members will be more responsive to the needs of the great body of the people. Possibly, also, and I believe it to be as near a certainty as anything ever gets to be in politics, we shall have Gov. Franklin D. Roosevelt at the head of a Democratic national administration.

Please count on me for any help I can give you in the cause of silver.

For the work you have done you are entitled to the thanks of all of us.

Sincerely yours,

JOHN P. RUSK.

Whereas it is the well-considered opinion of students of our present-day economic conditions that the volume of money and credit in America must be expanded before there can be any lasting and real relief looked for: Now, therefore, be it

Resolved by the Democrats of the State of Wyoming in regular convention assembled this 9th day of May, 1932, That there should be included in the platform to be adopted at the national convention of our party at Chicago in June of this year a declaration in favor of the restoration of silver to its historical place as money along the lines of Senate bill No. 2784, introduced by Senator BURTON K. WHEELER, of Montana, January 4, 1932, and now pending before that body.

Submitted to the resolutions committee of said Democratic State convention by the Weston County delegation under instructions unanimously adopted and given said delegation by the Weston County Democratic county convention held May 3, 1932.

JOHN P. RUSK,

Chairman Weston County Delegation.

HAVRE, MONT., January 9, 1932.

Hon. B. K. WHEELER,

United States Senate, Washington, D. C.

DEAR B. K.: Any time within the last 20 years up to six months ago I would have considered the double standard as absolutely a dead issue, but I congratulate you on the forward act you have made in introducing the bill for the free coinage of silver. The gold standard is not sacred. It has failed to serve the country or the people satisfactorily. Silver is the coin of the common, humble citizen and its reestablishment in its former position is about all that is left that will rejuvenate the farming and producing classes. It will do everything for the country that you claim for it as reported in the Associated Press.

We are drifting without any definite objective and if something is not done to bring about conditions that are tolerable to the average man, hell will be popping in this country, and your free-silver proposition is the most promising of anything yet proposed. Put it through, revise the tariff down to a basis that will encourage trade, and resubmit the liquor question to the States for repeal by popular vote—by State conventions—and we will be on our way to a happy solution of all our political ills.

Cordially yours,

C. F. MORRIS.

We, the undersigned citizens of Roosevelt County, Mont., believing that agriculture is one of our basic industries and that the economic security of our Nation is dependent upon the economic security of the American farm, favor such legislation as will provide for the solvency of the American farmer.

We believe that the only way out of the present depression is to raise commodity price levels and thereby reduce the burden of debt. Under the present gold standard, debts contracted three years ago, if paid this year, would require three times the amount in farm commodities as when they were contracted. All of the important countries of the world except France have gone off the gold standard. It is therefore impossible for us to trade with them. This keeps commodity prices down.

We feel that if prosperity is to return to this country we must go off the gold standard, which is the cause of most of our present economic ills.

We therefore respectfully petition the Senate of the United States of America to pass the Wheeler silver bill, Senate bill No.

2487, which provides for the remonetization of silver by providing for free coinage of silver as well as gold at the fixed ratio of 16 to 1.

JENS L. LARSON.
EDWIN C. LARSON.
BERT JOHNSON.
MRS. JAMES F. SMITH.
MRS. JULIUS JOHNSON.
J. W. DOLAN.
CHRIST EBERLING.
ELMER A. JOHNSON.
LUDWIG LOEN.

THEO JOHNSON.
MORRIS FLAGEN.
CLAUDE HAWKS.
ANTON SCHMITZ.
SUSAN SMALL.
ALEXANDER LUFT.
M. G. BAKER.
ALBERT JOHNSON.

THE GOLD STANDARD, AND INDEBTEDNESS IN THE UNITED STATES

Mr. BLAINE. Mr. President, while there is somewhat of a lull in the tariff debate, I desire to direct attention just for a moment or two to proceedings before the Committee on Banking and Currency last week, when Mr. Eugene Meyer, of the Federal Reserve Board, appeared as a witness against the Goldborough bill. On that occasion I propounded to Mr. Meyer some questions respecting the possibility of the people discharging the indebtedness which now exists against governments, State and Federal, and private parties and private institutions. I called attention to the fact that, according to a survey made by the department of economics of the Agricultural College of the State of New York, the total indebtedness in the United States, public and private, amounts in round numbers to \$203,000,000,000. I also find that the total assets of the United States, public and private, amount to about \$200,000,000,000; in other words, that our indebtedness exceeds our assets. I was endeavoring to ascertain from Mr. Meyer how he thought the Government or the people could discharge that enormous debt.

In connection with the same proceeding, I made reference to the grave possibility of the United States going off the gold standard, and I pressed Mr. Meyer for an answer to or a discussion of that particular question.

I also suggested during the proceedings that governments sometimes, and oftentimes, went off the gold standard without any action by Congress or Parliament or any public authority; that in the very nature of things oftentimes a government found itself where it was no longer upon the monetary standard of gold. Mr. Meyer refused to answer those inquiries.

It is not my purpose to debate that question at this time, but rather it is my purpose to have inserted in the RECORD an editorial appearing in the Philadelphia Record of May 22, 1932, entitled "The Handwriting on the Wall," in which editorial I find this language:

The handwriting on the wall becomes clearer.

Within three months the United States must suspend gold payments.

If the Government waits until its hand is forced it courts disaster.

It was that grave possibility of our Government facing disaster that prompted me to ask Mr. Meyer, who is a member of the Federal Reserve Board, and a part of the Government machinery which has to do with the monetary system of this country, whether it might not be possible for him to discuss that question, in order that we could avoid the very danger to which reference is made in this editorial. I ask, therefore, that the entire editorial which discusses this very grave situation, be inserted in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Record, May 22, 1932]

HANDWRITING ON THE WALL

The handwriting on the wall becomes clearer.

Within three months the United States must suspend gold payment.

If the Government waits until its hand is forced it courts disaster.

If the Government acts now it can arrest deflation, end depression, win back prosperity within 60 days.

Six months ago the Record, alone among all the newspapers in the United States, urged a gold embargo and suspension of gold payment. We said:

"If the Government fails to take the initiative now, its hand will be forced eventually, too late to do much good."

The Record repeats its warning. It is not now alone in its conviction. Trained economists, experienced bankers, clear-thinking business leaders, are agreed there is only one way to prevent chaos. The facts are obvious. The Government has allowed deflation to go so far that only most heroic measures will arrest and reverse the process.

Increased value of the dollar has literally bankrupted the Nation. In 1928 our national wealth was estimated at nearly \$400,000,000,000 as against less than \$200,000,000,000 of indebtedness. To-day national wealth is estimated at less than \$200,000,000,000.

Wealth of the Nation is just as great as it was in 1928. The value of the dollar has changed.

But the total debts remain at \$200,000,000,000, so that our debts are greater than our wealth—expressed in dollars—which spells National bankruptcy and ruin.

The only way out of this absurdity is to change the value of the dollar.

This can not be done by mild inflation or making additional credit available to our banks and large industrial organizations. It can only be done by deliberate cheapening of the dollar. We use the words "cheapening the dollar" rather than "stabilizing the dollar" because "cheapening" is unpleasant. Now is the time to force unpleasant verities upon a public that has been fed on the pap that prosperity is around the corner.

This Nation is approaching a terrible crisis. Its fate depends on courage and intelligence in facing true facts and meeting them with its full strength.

We are in this terrible depression because the administration and Congress have failed to face facts. The administration has reluctantly and belatedly admitted the need of some inflation of our dwindling and sluggish currency. It has pretended that this mammoth task could be accomplished by "mild inflation," open market transactions of the Federal reserve banks.

It has thrown a sop to the inflationists by implying that the Federal reserve system is putting out new money through purchase of Government securities at the rate of \$100,000,000 a week, and will continue this process until commodity prices are stabilized and deflation arrested.

Why not tell the truth?

At the rate gold is going out of the Federal reserve system, the Federal reserve banks will have to stop their open market transactions within six weeks. They will be pulled up short by dwindling gold reserve—the golden chain which has circumscribed any adequate action to cure the depression.

Hasn't the depression become big enough to be met in a big way? Can't the present situation be solved with the directness that Columbus showed when he smashed the end of an egg?

Why can't we fight this depression as we fought the war, when we declared an embargo on gold in 1917 and no one thought anything of it?

We should have put an embargo on gold to coincide in duration with the moratorium on allied debts.

It is obviously unfair to permit debtor nations to absorb our gold when they are not able to meet their national debt payments to us. President Hoover declared an embargo on allied debts but allows the subjects of these debtor nations to drain our gold and drive us toward destruction.

Is there anything sensible or ethical in such a course?

Are we in the grip of some strange obsession—the gold mentality, as Senator BORAH calls it—which makes us act irrationally whenever the precious metal is mentioned?

Since the depression became so intense that the administration could not pretend there was no depression, it has offered many remedies—all halfway measures.

Not one has succeeded in arresting depression and turning the tide.

The one possible exception is that the Reconstruction Finance Corporation did stop bank failures.

But unemployment is steadily increasing as volume of trade decreases. All statistical evidence of the economic position of this country grows more terrifying. Down come commodity price index, bank clearings, car loadings, stock and bond quotations.

This depression started in 1929. It has grown worse with increasing acceleration.

It is time that we acted with our full strength as we did in the war. Overnight Congress should give the President the right to declare a gold embargo, just as it gave that right to Woodrow Wilson in 1917. The President should act immediately on the power accorded him.

This should be followed by inflation on a war-time scale, so administered as to distribute purchasing power among the people.

INCOME-TAX ESTIMATES

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Treasury, transmitting, in response

to Senate Resolution 214 (agreed to May 16, 1932), estimates of individual income taxes for the calendar year 1932 by detailed net income brackets, together with a table showing the individual income taxes on 1930 incomes by net income brackets, at rates, exemptions, credits, etc., as in the revenue act of 1918 and as in the 1928 revenue act, which, with the accompanying paper, was referred to the Committee on Finance.

Mr. COUZENS. Mr. President, I request that the letter from the Secretary of the Treasury, with the accompanying table, be printed in the RECORD.

There being no objection, the letter and the accompanying table were ordered to be printed in the RECORD, as follows:

TREASURY DEPARTMENT,

Washington, May 20, 1932.

DEAR MR. PRESIDENT: I have Senate Resolution 214 requesting the Secretary of the Treasury to furnish the Senate estimates for the calendar year 1932 of the revenue that would be raised by each of the income-tax brackets under the revenue act of 1918.

It is assumed that "estimates for the calendar year 1932" under the revenue act of 1918 "specified in the resolution refer to taxes on incomes for the calendar year 1932 which would be payable in the calendar year 1933 through application of the provisions of the 1918 act as applicable to incomes for the year 1918."

The Treasury estimates of individual income taxes are made for certain broad net income classes and the Treasury is of the opinion that estimates of taxes for detailed net-income classes are subject to a wide margin of error for any one of the various net-income classes. This difficulty is due to the variable and uncertain factors affecting the distribution of income by detailed net-income classes.

To comply with the request of the Senate, however, the Treasury estimates, made as stated by broad net-income classes, for collections which would be made in the calendar year 1933 (on 1932 incomes) have been distributed over more detailed net-income classes, as follows:

Net-income classes (thousand dollars)	Estimated collections, 1918 rates, calendar year 1933 (million dollars)
Under 5	156
5-10	94
10-25	152
25-50	110
50-100	100
100-150	54
150-300	73
300-500	40
500-1,000	43
1,000 and over	81
Total	903

In the opinion of the Treasury these estimates of revenue yield on 1932 incomes represent the maximum amount for that year under the 1918 rates, and the yield might be considerably below this total. It should be particularly noted that the yield for any one net-income class shown might vary considerably from the figure given.

These estimates indicate additional revenue for the fiscal year 1933 over that provided in the Senate bill aggregating \$193,000,000. The estimates are exclusive of additional amounts to be derived from the limitation of security losses and of other largely administrative income-tax provisions in the Senate bill.

The incidence of taxes as under the 1918 act (as applied to incomes for the year 1918), by net-income classes, as compared with the incidence of taxes at present rates, may be illustrated by applying these two sets of provisions to the actual income data returned for 1930. There is inclosed a table showing the individual income tax on 1930 incomes by net-income classes at rates, exemptions, credits, etc., as in the revenue act of 1918 and as in the 1928 act. These computations take no account of the effect of administrative changes affecting the deduction for losses from sales of securities, etc.

This table, based on statistics for 1930 incomes, is of value merely for the purpose of comparing the relative effect of the two sets of income-tax provisions by net-income classes. Incomes for 1930, of course, can not be used as an indication of the incomes on which taxes will be collected in 1933 on 1932 incomes.

Very truly yours,

OGDEN L. MILLS,
Secretary of the Treasury.

HON. CHARLES CURTIS,
President of the Senate, Washington, D. C.

Individual income taxes on 1930 incomes¹ at rates, exemptions, credits, etc., in the revenue act of 1918 applicable to the year 1918,² and at rates, exemptions, and credits in the revenue act of 1928

[In millions of dollars]

Income classes (in thousand dollars)	Tax		Surtax		Normal tax		Earned-income credit		Tax on capital net gains over losses (at 12½ per cent)
	1918 act ¹	1928 act	1918 act ¹	1928 act	1918 act ¹	1928 act	1918 act ¹	1928 act	
Simple distribution by net income classes									
Under 5 ⁴	203.8	11.2			203.8	15.0		3.8	
5 to 10	153.7	16.6	15.5		138.2	20.8		4.2	
10 to 25	249.9	49.3	73.4	17.4	176.5	40.1		8.3	
25 to 50	181.1	72.2	100.5	51.1	80.0	26.0		5.5	0.6
50 to 100	172.2	86.7	121.3	65.9	40.5	14.5		2.2	7.4
100 to 150	97.7	48.5	79.5	38.6	12.5	4.7		.5	5.7
150 to 300	133.7	61.9	113.0	48.3	10.9	4.2		.3	9.8
300 to 500	74.7	33.0	63.5	24.4	4.1	1.6		.086	7.1
500 to 1,000	80.7	33.8	70.0	24.7	2.5	1.0		.042	8.2
1,000 and over	154.1	60.5	134.7	43.2	3.5	1.4		.022	15.9
Total	1,501.6	473.7	774.4	314.6	672.5	129.3		25	54.7
Increases, 1918 act over 1928 act ⁵									
Under 5 ⁴	192.6				188.8		3.8		
5 to 10	137.1		15.5		117.4		4.2		
10 to 25	200.6		56.0		136.4		8.3		
25 to 50	108.9		49.4		54.0		5.5		
50 to 100	85.5		57.4		26.0		2.2		
100 to 150	49.2		40.9		7.8		.5		
150 to 300	71.8		64.7		6.7		.3		
300 to 500	41.7		39.1		2.5		.086		
500 to 1,000	46.9		45.3		1.5		.042		
1,000 and over	93.6		91.5		2.1		.022		
Total	1,027.9		459.8		543.2		25		

¹ 1930 incomes according to preliminary statistics of income (returns filed to Aug. 31, 1931).

² Computed taxes do not include administrative changes affecting losses, etc., in H. R. 10236; capital net gains and losses as in H. R. 10236.

³ Applicable to the year 1918.

⁴ Approximate.

⁵ Absence of an earned-income credit under the 1918 act results in an increase in tax as compared with taxes under the 1928 act.

DUTY ON SULPHATE OF AMMONIA

Mr. BANKHEAD presented a letter from Hugh Morrow, president of the Sloss-Sheffield Steel & Iron Co., of Birmingham, Ala., which, with the accompanying paper, was ordered to lie on the table and to be printed in the RECORD, as follows:

SLOSS-SHEFFIELD STEEL & IRON CO.,
Birmingham, Ala., May 17, 1932.

HON. JOHN H. BANKHEAD,

United States Senate, Washington, D. C.

DEAR SENATOR BANKHEAD: Several Members of Congress have made recent statements, printed in the CONGRESSIONAL RECORD, protesting against imposition of duty on sulphate of ammonia. These statements have been in connection with investigation by the Treasury Department under the antidumping statute.

Whereas these Congressmen on behalf of their constituents in the South are protesting against what they term a "tariff," in reality the Government proposes to determine whether sulphate is being "dumped" into the United States at prices injurious to American producers. It is common knowledge that the low level of prices prevailing this season is the lowest in history for this product; prices are so ruinous that the American producer is sustaining actual "out-of-pocket" loss on every ton of sulphate sold to-day.

The official statistics published by the United States Department of Labor show that the price of sulphate has declined to a greater extent than other fertilizer materials and also than the average farm product; in fact, there are very few individual commodities which have declined as much as or more than sulphate. As a consequence the sulphate producer is at a greater disadvantage and is suffering greater losses than agriculture generally. It is no more than fair that the American producer should not have his market taken from him by foreign producers who intentionally "dump" their material in this country.

It is not a tariff that is being urged, nor is any attempt being made to prevent sulphate from being properly imported. It is the claim of American producers that European producers are sending their material over here in large quantities at prices less than they sell to their own consumers; this practice of "dumping" is unfair to the American producer, and that is the very thing the antidumping laws enacted by Congress were intended to prevent.

If the Government finds there is dumping of foreign sulphate, the law provides for the payment of a dumping duty by those

guilty of its violation. Any such duty, of course, would be a source of revenue to the United States. If there is no dumping, the sulphate may be freely imported.

There have been reports of a shortage of sulphate, but it is believed this claim is unfounded, with the possible exception of a few localities where for the moment a comparatively small supply is on hand. This temporary situation, it is reported, has occasioned a price increase on sulphate in some cases. If such cases exist, the increase must have been made by resellers and not American producers, as the latter have not increased their price.

Yours very truly,

HUGH MORROW, President.

Wholesale prices of commodities

Commodity	Comparison with year 1926 at 100 per cent	
	Year 1931	January, 1932
Fertilizer materials	Per cent 76.8	Per cent 69.9
Sulphate of ammonia (bulk, New York)	55.0	40.9
Farm products	64.8	52.8
Grains	53.0	46.7
Other farm products	69.2	54.8

EXTENSION OF RECONSTRUCTION CORPORATION ACT TO PUERTO RICO

Mr. BINGHAM. Mr. President, I have received a communication from the secretary of the Senate of Puerto Rico, forwarding a concurrent resolution unanimously approved by that senate and also by the house of representatives of the island, which, being in the nature of a petition or memorial, I ask unanimous consent that it may be printed in the RECORD and appropriately referred.

There being no objection, the concurrent resolution was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

SENADO DE PUERTO RICO.

I, Jose Muñoz Rivera, secretary of the Senate of Puerto Rico, do hereby certify that the following concurrent resolution was unan-

imously approved by the Senate of Puerto Rico on March 2, 1932, and by the House of Representatives on April 1, 1932:

"Concurrent resolution requesting the President and the Congress of the United States of America to extend to Puerto Rico the act creating the Reconstruction Finance Corporation

"Whereas on January 22, 1932, the Congress of the United States approved H. R. 7360, creating the Reconstruction Finance Corporation to provide financial facilities to agriculture, commerce, and industry;

"Whereas the benefits that said act will report to the United States will be efficacious because of the great facilities the act provides to industry, commerce, and agriculture, the chief sources of the nation's business and progress;

"Whereas said powerful organization, with its adequate resources, is prepared to strengthen credit by giving vitality to financial institutions, industry, agriculture, and commerce, and by supplying power to create new activities relieving the problem of unemployment;

"Whereas for many years the financial condition of Puerto Rico has been critical, it being difficult to obtain cash to finance business, several banks having been forced to close, thus augmenting the crisis, creating difficulties for labor and obstructing the finances of industry, commerce, and agriculture in Puerto Rico;

"Whereas the present condition of business will not permit industry, commerce, and agriculture in Puerto Rico to pay the rate of interest demanded of them, it having been claimed that the market conditions for the agricultural products of the country will not permit cane planters to cover cost of production;

"Whereas the true husbandmen of the principal industry of cane sugar claim that the sugar-market outlook is quite discouraging and that the situation created will not allow them to increase the efficiency of production, this condition causing a great increase of the unemployment existing at present in the country;

"Whereas the Legislature of Puerto Rico offers to exempt from all kinds of taxes all such negotiable instruments as may be issued in good faith for the purpose of obtaining additional cash from the continental United States at a low rate of interest and on easy payments, and offers to authorize the treasurer of Puerto Rico to accept such documents as collateral to secure deposits of the insular government of Puerto Rico: Now, therefore, be it

"Resolved by the Senate of Puerto Rico (the house of representatives concurring), To request the President of the United States of America and the other authorities concerned with the execution of legislation creating the Reconstruction Finance Corporation to have such legislation made extensive to the island; and in case that, in construing said legislation, Puerto Rico is not considered as included, to request the President of the United States of America to forward to Congress a special message asking that said legislation be extended to Puerto Rico.

"Sec. 2. That upon approval the original of this resolution be forwarded to his Excellency the President of the United States, and a copy thereof to the President of the Senate and the Speaker of the House of Representatives; the chairman of the Reconstruction Finance Corporation Board; the Resident Commissioner for Puerto Rico in Washington; Senator BINGHAM, General Parker; Hon. HENRY B. STEAGALL, president of the House Committee on Banks; Hon. PETER NORBECK, president of the Senate Committee on Banks; and all members of the Committees on Banks of the Senate and of the House of Representatives for their knowledge and action."

For transmittal to the Hon. HIRAM BINGHAM, president of the Senate Committee on Territories and Insular Affairs, as provided in the second paragraph of said concurrent resolution, I have hereunto set my hand and caused to be affixed the seal of the Senate of Puerto Rico on this, the 5th day of April, A. D. 1932.

[SEAL.]

Secretary of the Senate.

ADDITIONAL BILL INTRODUCED

Mr. BULKLEY introduced a bill (S. 4738) for the relief of Newport Contracting & Engineering Co. (with accompanying papers), which was read twice by its title and referred to the Committee on Claims.

PURCHASE AND MERCHANDISING OF WHEAT AND COTTON

Mr. SMITH. I ask unanimous consent to introduce a joint resolution. It is short, and I should like to have it printed in the RECORD and referred to the Committee on Agriculture and Forestry.

There being no objection, the joint resolution (S. J. Res. 163) to provide for the purchase and merchandising of wheat and cotton by the Secretary of Agriculture was read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Resolved, etc., That the Reconstruction Finance Corporation is authorized and directed to make available to the Secretary of Agriculture the sum of \$250,000,000, less any amounts expended by the Secretary of Agriculture pursuant to section 2 of the Reconstruction Finance Corporation act. Such sum, together with the balance of the amounts made available to the Secretary of Agriculture under section 2 of such act, shall be used for the

purchase and merchandising of wheat and cotton as hereinafter provided.

Sec. 2. The Secretary of Agriculture is authorized to use not to exceed one-half of such amounts made available by this act for the purchase of wheat through such agencies as he may designate, under rules and regulations prescribed by him. The wheat so purchased may be withheld for such times, or may be sold or otherwise disposed of in such amounts and at such times, as in the opinion of the Secretary of Agriculture will best promote the public interest.

Sec. 3. (a) The Secretary of Agriculture is further authorized and directed to use not to exceed one-half of the amounts made available by this act for the purchase of cotton through such agencies as he may designate, under rules and regulations prescribed by him. The cotton so purchased shall be resold on credit to producers of cotton at a price not to exceed the market price at the time of such purchase, but only if such purchasers enter into agreements with the Secretary of Agriculture to produce not to exceed 50 per cent of the amount of cotton produced by them during the crop year 1931. No such producer shall be entitled to purchase any cotton on credit from the Secretary of Agriculture in an amount in excess of 50 per cent of the amount of the cotton produced by him during the crop year 1931.

(b) In the event that any such cotton resold on credit to any such producer is subsequently sold at a price in excess of the price paid therefor by the Secretary of Agriculture, the Secretary of Agriculture shall pay to such producer, or shall apply toward any loans made to such producer by the Secretary of Agriculture, the difference between the amount received on such subsequent sale and the amount of such original purchase price less deductions for insurance and storage charges and interest at not to exceed 4 per cent per annum on such original purchase price; and each agreement made under subdivision (a) shall so provide.

(c) Any person who shall knowingly make any material false representation for the purpose of obtaining any cotton under this act or in connection with the purchase or resale of any such cotton, or who shall knowingly violate any agreement entered into with the Secretary of Agriculture, shall, upon conviction thereof, be punished by a fine of not more than \$— or by imprisonment for not more than six months, or both, and the rights of such person under any agreement entered into with the Secretary of Agriculture shall thereupon be forfeited.

REVENUE AND TAXATION

The Senate resumed the consideration of the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes.

The PRESIDING OFFICER (Mr. FESS in the chair). The question is on the amendment of the Senator from Maryland to the committee amendment.

Mr. HULL. Mr. President, during the dinner hour, while many Senators are out of the Chamber, if I may for just a few moments, I would like to offer some remarks which I have to present on the pending bill. I will avail myself of this time instead of some other time.

When the panic broke in October, 1929, it was about six weeks before Congress convened in the following December. At that time there was a great mountain of profits accruing for the calendar year 1929. The question naturally presented itself to Congress and to the Treasury as to whether the panic was of such nature and extent and intensity as would be reasonably calculated to interfere with the condition of the Treasury. No one connected with the Treasury seemed to be conscious of the possibilities of danger to the Treasury from the effects of the panic, which had then been raging for some six weeks.

If the Treasury had suggested a good, healthy, special tax levy on that great mountain of profits for 1929, one-half of which would have been paid into the Treasury as late as the fiscal year, 1931, ending June 30 last, there could have been saved to the Treasury out of that immense reservoir of profits a large portion of the amount that was necessary to avoid a corresponding deficit.

I recall, if I may refer to the incident, which is interesting in a way, that in the summer of 1918, after this country had entered the war and one war revenue act had been passed, the question came up as to whether the Government should undertake to make a real, far-reaching levy off the great mountain of war profits that would accrue during the calendar year 1918.

A few of us very insistently urged that Congress, instead of adjourning in May, 1918, when it had convened in brief extra session, should remain in continuous session and take up the immense task of drafting and enacting a far-reaching war revenue bill that would be calculated to appropriate a

substantial percentage of war profits, and turn them into the Treasury for purposes of war expenses.

We agreed if the Democratic Congress undertook this immense task in the spring and summer and fall of 1918, that in all probability we would be thrown out of power and out of the control of Congress as the result of this immense tax-levy undertaking. The matter was pursued, however, with the result that in February, 1919, a levy of \$6,000,000,000, mainly on the swollen war profits, became a law by action of Congress and the approval of the President.

By that time the fighting part of the war was ended, with the result that it was decided by those in control to apply these extreme rates to the calendar year 1918 alone, raise \$6,000,000,000, and then lower the rates for subsequent years, graduated to the basis of 40 and 65 per cent, I think it was, for excess-profits taxes and with graduated rates running as high as 65 per cent for purposes of income taxes, but reducing the normal tax rate from 6 and 12 to 4 and 8.

In the fall of 1929 the Treasury entirely passed by this opportunity to levy many hundreds of millions of taxes out of the immense profits of 1929. Instead of that, just the opposite course was pursued. A resolution was passed through the Congress lowering taxes instead of increasing them, lowering them on the swollen profits of 1929. The idea was to relieve the panic condition by reducing the income taxes \$160,000,000. I think \$80,000,000 of that came off the corporations, about \$28,000,000 came off of small individuals with incomes under \$10,000, and the other \$40,000,000 came off of the larger surtax payers. But most of the membership of the Senate on both sides of the aisle, with the exception of about 14 or 15, as I recall, joined in that movement to relieve the panic by enacting the joint resolution reducing all corporate taxes and all income taxes.

The panic progressed and the Treasury gradually became depleted, and still through 1930 the Treasury seemed unaware that a crisis was on hand or was possible in the future. When the Congress again convened in December, 1930, instead of demanding a special assessment on the profits of 1930, one-half of those for 1929 having come over into 1930, especially as to all companies and taxpayers having a fiscal year which included a part of 1930, still the Treasury as late as December, 1930, appeared oblivious of the danger that was ahead in the Government's finance.

Instead of demanding rigid economy in December, 1929, or in December, 1930, or instead of any branch of the administration sounding the alarm during that long period of 14 months while the panic was pending and demanding the launching of a far-reaching program of economy and retrenchment, the Treasury proceeded wholly indifferent or oblivious to the seriousness and the extreme danger of its condition. They predicted instead that while they had a deficit of \$180,000,000 for the ensuing fiscal year, which was then half out, they would have a surplus of \$30,000,000 for the succeeding fiscal year, 1932.

The result has been that instead they had a deficit of \$906,000,000 for the fiscal year 1931 and a deficit that will range from \$2,750,000,000 to \$3,000,000,000 for the fiscal year 1933 instead of the surplus of \$30,000,000 that was predicted by the Treasury at the middle of the fiscal year 1931.

Mr. President, I have mentioned this phase in order to consider one or two important, as I think, features which present themselves. I do not think any Member of this body is fully aware of the extreme demand on the part of the American people generally for the most rigid and far-reaching program of economy and retrenchment, in the first place, and then the very minimum of taxes to supplement that program of economy to the extent that would be necessary to meet the requirements of the Treasury.

There has been much said about balancing the Budget. Of course, the Budget does not have to be balanced every day or every week or every month or necessarily every year. The Budget only has to be balanced sufficiently often and under such circumstances as will carry assurance to the general public that the Government is able to pay its obligations and is capable of doing it whenever the occasion

may make it necessary. Then confidence remains among the business and other people of the country and the Government proceeds as usual.

But a chorus, almost an anvil chorus, about balancing the Budget was set up in different parts of the country some months ago, with the result that everybody was going about echoing the demand, "Balance the Budget." Ninety per cent of them do not know what the Budget is; but they have all have been busy crying out, "Balance the Budget," forgetting everything else.

I am not minimizing the importance of that phase, but I am undertaking to indicate that the attempt to balance the Budget was really overdone, with the result that many people imagined that the Government was not really capable of meeting its obligations. I have often wondered how much more cheerfully the American people would pay a reasonable amount of taxes if they knew those taxes would be judiciously expended, compared to the painful state of mind that is created to-day whenever the taxgatherer comes around.

In the first place the people are entitled to honest and equitable taxation, with the receipts judiciously and economically expended. With that done the people then have no right whatever to complain about the payment of taxes.

If they would stop and see what it cost each family to furnish its own police protection, if they would figure how much it would cost each family to protect itself from contagious diseases in the community, if they would stop and see what it would cost each family to go over the cowpaths and trails for lack of any highway that would be suitable to travel, if they would stop and see what it would cost each family by itself to educate its own children; in other words, if the American people would halt and reexamine the whole phase of their fiscal affairs, taxes, expenditures, debts, they would readily see that, while it is painful to pay taxes in a sense, the country and the general public would plunge practically into anarchy and organized society would go back to the most primitive conditions if it were not for the payment of taxes which result in all these wonderful benefits and blessings that come to every class of people and every gradation of human society as a result of government.

We have listened to conversation here for days and weeks as though the Federal Government was the only governmental agency levying a tax and that the only tax to be levied related to income taxes, graduated and other taxes on incomes, including corporations. As a matter of fact, the Federal Government is only levying 30 per cent of the taxes that rest on the American people to-day. The States, counties, and municipalities are levying and collecting 70 per cent of the taxes, and yet the discussion ranges along lines that assume that the Federal Government alone imposes whatever amount of taxes the American people are expected to pay. The municipalities and counties levy over \$7,000,000,000 of taxes and the States nearly \$2,000,000,000.

All together we have a tax levy in this Nation of \$10,250,000,000, and we have expenditures of all kinds for all purposes of government—Federal, State and local—of \$13,000,000,000. The same 123,000,000 American people must pay this \$10,250,000,000 of taxes. It makes no difference to them whether it is a Federal tax or a State, county, or municipal tax. They know they are obliged to pay it and they are only concerned in the proper distribution, in the equity of the tax as a whole, and in the aggregate, whereas we are overlooking that fact to a very large extent. Agriculture alone is paying \$900,000,000 of tax under this monstrous and iniquitous and inequitable general property tax, around 25 per cent of all the income that they can rake and scrape together during this panic period. And yet there has been no concerted effort on the part of officials anywhere to coordinate our Federal and State and county and municipal fiscal affairs as they relate to expenditures and taxes and debts. Each agency in its own independent way is proceeding to a large extent.

I desire, if I may without imposing on those who are required to remain in the hall anyway, to call attention to one paragraph in a speech delivered by me back in 1925 on the

subject of a program to coordinate the whole fiscal affairs of the Federal, State, county, and municipal governments, to cut out waste, establish policies of retrenchment and economy, make vast reductions in expenditures, and furnish corresponding relief to the taxpayers. Back in 1925, on December 9, in the House of Representatives, I said:

The task ahead, it seems to me, is for the Federal Government, the States, and their localities, by concerted action, to work out a coordinated and uniform system of taxation as nearly as may be feasible, comprising a combination of such tax methods as will be best calculated to reach every class of persons for an amount of taxes suggested by ability to pay, and which will both yield the necessary amount of revenue and work the fullest measure of equity to each class of taxpayers and every section of the country. We sometimes hear much opposition to Federal cooperation with the States in certain respects. I have in mind one kind of cooperation in which I strongly believe. I refer to the creation of a Federal agency of efficiency and on coordination and uniformity in taxation and expenditures—Federal, State, county, and municipal.

The Federal agency would cooperate with similar State agencies and would be comprised of experts, such as an outstanding accountant, who could establish accurate and uniform accounting systems and budget systems in every large and small municipality and county in America; an outstanding tax expert, who would go into the States and, in conjunction with a State associate, present uniform inheritance and other tax methods such as would be most suitable for the States, counties, and municipalities, respectively, and such as would dovetail into the Federal tax situation, thereby eliminating pro tanto many of the harsh, inequitable, and grinding phases of the personal and much of the general property-tax situations; and an efficiency engineer, such as Colonel Sherrill, who understands all phases of the duties of city manager, who would, with his State associate, visit the various municipalities and install innumerable efficiency methods with respect to all departments calling for expenditures, including uniform methods in the construction of public buildings, including school buildings, roads, etc. Such cooperative agency, in brief, could, in my judgment, work wonders in cutting out waste and promoting efficiency in these and in many other respects, and their work possible to be performed would within three or four years result in cutting our general burden of taxes and expenditures at least \$1,000,000,000 to \$3,000,000,000.

Mr. President, I have been urging such a policy of Government financing—Federal, State, and local—during all these years in repeated addresses at the other end of the Capitol and in a statement issued last October. Instead of any steps designed to bring order out of chaos, we find that debts and expenditures and taxes have literally run riot during recent years; we find that all States, counties, and municipalities are hopelessly in debt; that over \$1,000,000,000 have been defaulted either in interest or amortization during the past 12 months; that conditions are growing steadily worse, with a corresponding detrimental effect upon private credit and other conditions.

We find at the same time, Mr. President, that while the condition of our State and local indebtedness has become precarious to a vast extent, the problem of retrenchment of expenditures has not been thoroughly grappled with by the proper State and local authorities. We are floundering through this panic with more taxes imposed than the people are by any means able to pay, and with increasing defaults of all governmental agencies, while debts have gone almost to an unthinkable discount in many cases.

My position is that we should start right here at Washington, in the Federal Treasury, where no living person except a very few expert accountants know how to read the balance sheet of the Treasury Department. There are blended hopelessly all kinds of items relating to expenditures, including authorizations, appropriations, and Treasury balances, permanent items of appropriation and temporary items of appropriation, appropriations for productive purposes and appropriations for nonproductive purposes, all jumbled and confused hopelessly together.

My view is, and for long years has been, that there should be developed a system of modern accounting in the Federal Treasury in order that any citizen of America could take up the balance sheet and see at least what the normal or annually recurring expenditures of the Government are from time to time; that he could look on the other side and find another column embracing all extraordinary receipts and expenditures and containing all the temporary or extraordinary items to which I have referred.

Then we would know what temporary taxes were needed in order to meet a temporary Treasury demand. We would know just about the level of our annually recurring expenditures and be able to adjust our tax structure so as to meet it and to meet it with such accuracy as the British Government have always been able to forecast their budget and make the tax receipts meet it to a most surprising extent. But we have not such certainty; we have chaos in our whole accounting situation—Federal, State, county, and municipal. There is no effort to coordinate either taxes or debts or expenditures. There is vast duplication of expenditures; there is necessarily an immense amount of waste; and, unless we adopt a systematic program to attack this condition resolutely and with thoroughly capable forces—forces furnished by the Government and the States in concert—we can not hope, Mr. President, to attain that level of retrenchment and economy which the American taxpayers have a right to expect us to reach, despite the demands for outlays on the part of the Government.

There has been a great deal said here about the exemption of various properties from taxation. Mr. President, it is surprising to see how a great people will complacently float along and with open eyes see a vast mountain of \$60,000,000,000 worth of property develop under tax-free authority. This Nation to-day has about \$34,000,000,000 of Federal, State, county, and municipal bonds that are tax free, except the long-term bonds of the Federal Government, amounting to in the neighborhood of \$12,000,000, which are still subject to the surtax which was authorized in 1918.

I wish to say, Mr. President, that so long as I am a Member of this body, I shall consistently oppose a policy that will contract away the power to tax wealth in this country. I mean that in no invidious sense, for no person living can ever accuse me of being a baiter of wealth. I have always, in connection with my legislative duties and otherwise, undertaken to deal fairly with every class of business in every part of this country; but I am opposed, Mr. President, to creating by law a great oligarchy or aristocracy of wealth in this country which will be immune from all tax burdens, Federal, State, and local, so that, no matter what the emergency, no matter if the very life of the Republic should call for sudden and ruthless taxation, the small coterie, owning this great mass or mountain of \$60,000,000,000 of wealth, can sit back and challenge the remainder of the country to defend and protect it.

It is imagined sometimes by some persons that tax exemption itself is equivalent to such taxes as would otherwise be imposed and collected. The truth has been thoroughly tried out, Mr. President, and it has been demonstrated that in no case does the benefit of the exemption offset the loss of the tax.

I merely wanted to call attention to that phase of the subject and to say that so long, as in this country, we proceed carelessly and indifferently to pile up an immense amount on an increasing scale of tax-exempt wealth, we are pursuing a hopelessly unsound, and, I fear, a seriously dangerous policy.

Mr. President, I must not tax the patience of the Senate further. There are several other phases of the subject of financing as it relates to our tax and debt and expenditure problems that I would have preferred further to discuss, but a proper respect for the patience of my colleagues forbids me to proceed at greater length at this time.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Maryland [Mr. TYDINGS] to the amendment reported by the committee.

Mr. TYDINGS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TYDINGS. As I understand the pending amendment is the committee amendment putting a tariff on lumber.

The PRESIDING OFFICER. The Senator has already offered an amendment to that amendment.

Mr. TYDINGS. I withdraw my amendment temporarily, and, in order that we may come quickly to a vote, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Copeland	Johnson	Robinson, Ind.
Bailey	Costigan	Jones	Schall
Bankhead	Couzens	Kean	Sheppard
Barbour	Cutting	Kendrick	Shipstead
Barkley	Davis	Keyes	Shortridge
Bingham	Dickinson	King	Smith
Blaine	Dill	La Follette	Smoot
Borah	Fess	Logan	Steinwer
Bratton	Frazier	Long	Thomas, Idaho
Brookhart	George	McGill	Thomas, Okla.
Broussard	Goldsborough	McNary	Townsend
Bulow	Hale	Moses	Trammell
Byrnes	Harrison	Neely	Tydings
Capper	Hastings	Norbeck	Vandenberg
Caraway	Hatfield	Norris	Walcott
Carey	Hawes	Nye	Walsh, Mass.
Cohen	Hayden	Oddie	Watson
Connally	Hebert	Reed	Wheeler
Coolidge	Hull	Robinson, Ark.	White

The PRESIDING OFFICER. Seventy-six Senators having answered to their names, a quorum is present. The question is on the amendment of the committee as amended.

Mr. JONES. I call for the yeas and nays.

The yeas and nays were ordered.

Mr. ASHURST. Mr. President, I ask to have the amendment stated.

Mr. REED. Let it be stated.

The PRESIDING OFFICER. The amendment as amended will be stated.

The CHIEF CLERK. The committee amendment as amended is on page 244, commencing with line 6, and reads:

(6) Lumber, rough, or planed or dressed on one or more sides, except flooring made of maple (except Japanese maple), birch, and beech, \$3 per thousand feet, board measure; but the tax on the articles described in this paragraph shall apply only with respect to the importation of such articles.

Mr. SMITH. Mr. President, a parliamentary inquiry. This is the committee amendment on lumber?

The PRESIDING OFFICER. It is the committee amendment on lumber, as amended by the amendment of the Senator from Massachusetts [Mr. WALSH], which was carried. It is the committee amendment on lumber as amended. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. BANKHEAD (when his name was called). I have a general pair with the senior Senator from Vermont [Mr. DALE]. Not knowing how he would vote, I withhold my vote.

Mr. BINGHAM (when his name was called). I have a general pair with the junior Senator from Virginia [Mr. GLASS], who is unavoidably detained. If he were present, I understand that he would vote "nay." If I were at liberty to vote, I should vote "yea."

Mr. BROOKHART (when his name was called). I have a pair with the senior Senator from Montana [Mr. WALSH]. If he were present, he would vote "yea"; and if I were at liberty to vote, I should vote "nay."

Mr. BULOW (when his name was called). On this question I have a pair with the Senator from Nevada [Mr. PRATTMAN]. If he were present, I understand he would vote "yea," and if I were at liberty to vote, I should vote "nay."

Mr. CAREY (when his name was called). I have a pair with the junior Senator from Ohio [Mr. BULKLEY]. If he were present, he would vote "nay"; and if I were at liberty to vote, I should vote "yea."

Mr. HASTINGS (when his name was called). On this question I have a pair with the senior Senator from Alabama [Mr. BLACK]. If he were present, I understand that he would vote "nay." If I were at liberty to vote, I should vote "yea."

Mr. HATFIELD (when his name was called). I have a general pair with the senior Senator from North Carolina [Mr. MORRISON]. I transfer that pair to the junior Senator from Iowa [Mr. DICKINSON] and will vote. I vote "yea."

Mr. JONES (when his name was called). I have a general pair with the Senator from Virginia [Mr. SWANSON]. I transfer that pair to the Senator from Colorado [Mr. WATERMAN] and will vote. I vote "yea." The Senator from Colorado [Mr. WATERMAN], if present, would also vote "yea." He is necessarily absent.

Mr. KEAN (when his name was called). On this question I have a pair with the junior Senator from Mississippi [Mr. STEPHENS]. Not knowing how he would vote, I withhold my vote.

Mr. NEELY (when his name was called). On this question I am paired with the junior Senator from Utah [Mr. KING]. If he were present, he would vote "nay"; and if I were at liberty to vote, I should vote "yea."

Mr. NORBECK (when his name was called). On this question I am paired with the senior Senator from Florida [Mr. FLETCHER], and therefore withhold my vote. If the Senator from Florida were present, he would vote "yea"; and if I were at liberty to vote, I should vote "nay."

Mr. THOMAS of Oklahoma (when his name was called). Making the same announcement as formerly, I withhold my vote.

Mr. TOWNSEND (when his name was called). I have a general pair with the senior Senator from Tennessee [Mr. McKELLAR], who is unavoidably detained from the Senate on account of illness. I therefore withhold my vote.

The roll call was concluded.

Mr. COPELAND. My colleague [Mr. WAGNER] is unavoidably detained. He is paired upon this question. If he were present and at liberty to vote, he would vote "nay."

Mr. BRATTON. I have a pair with the junior Senator from Oklahoma [Mr. GORE], who is necessarily absent. In his absence, I withhold my vote.

Mr. BYRNES. I have a general pair with the Senator from Vermont [Mr. AUSTIN]. If present, he would vote "yea." If at liberty to vote, I should vote "nay."

Mr. TYDINGS. On this question I have a general pair with the senior Senator from Rhode Island [Mr. METCALF], who is ill. I am unable to secure a transfer. If the Senator from Rhode Island were present, he would vote "yea"; and if I were at liberty to vote, I should vote "nay."

Mr. FESS. I desire to announce that the Senator from Missouri [Mr. PATTERSON] is necessarily absent on account of illness in his family. He is paired with the Senator from New York [Mr. WAGNER]. If present, the Senator from Missouri would vote "yea."

Mr. SHEPPARD. I desire to announce that the Senator from Illinois [Mr. LEWIS] is paired with the Senator from Louisiana [Mr. BROUSSARD].

I also wish to announce that the Senator from Virginia [Mr. SWANSON], the Senator from Alabama [Mr. BLACK], and the Senator from North Carolina [Mr. MORRISON] are necessarily absent from the city.

Mr. HULL. I announce the necessary absence of my colleague the senior Senator from Tennessee [Mr. McKELLAR] because of illness.

Mr. SHIPSTEAD (after having voted in the negative). In order to be able to enter a motion for reconsideration, I change my vote from "nay" to "yea."

The result was announced—yeas 36, nays 24, as follows:

YEAS—36

Ashurst	Hale	Long	Shortridge
Bailey	Hatfield	McGill	Smoot
Capper	Hawes	McNary	Steinwer
Caraway	Hayden	Moses	Thomas, Idaho
Connally	Hebert	Oddie	Trammell
Couzens	Johnson	Reed	Vandenberg
Davis	Jones	Robinson, Ind.	Walcott
Dill	Kendrick	Sheppard	Watson
Goldsborough	Keyes	Shipstead	White

NAYS—24

Barbour	Copeland	Harrison	Nye
Barkley	Costigan	Howell	Robinson, Ark.
Blaine	Cutting	Hull	Schall
Borah	Fess	La Follette	Smith
Cohen	Frazier	Logan	Walsh, Mass.
Coolidge	George	Norris	Wheeler

NOT VOTING—36

Austin	Byrnes	Kean	Pittman
Bankhead	Carey	King	Stephens
Bingham	Dale	Lewis	Swanson
Black	Dickinson	McKellar	Thomas, Okla.
Bratton	Fletcher	Metcalfe	Townsend
Brookhart	Glass	Morrison	Tydings
Broussard	Glenn	Neely	Wagner
Bulkley	Gore	Norbeck	Walsh, Mont.
Bulow	Hastings	Patterson	Waterman

So the amendment of the committee, as amended, was agreed to.

Mr. SHIPSTEAD. Mr. President, I now enter a motion for a reconsideration of the vote just cast.

The VICE PRESIDENT. The motion will be entered.

Mr. NORRIS. Mr. President, I offer an amendment, which I send to the desk.

The VICE PRESIDENT. The amendment will be reported.

The CHIEF CLERK. On page 318, after line 4, the Senator from Nebraska proposes to insert a new section, as follows: Sec. 1109a.

EXPORT DEBENTURES

(a) Whenever the board provided for in the agricultural marketing act approved June 15, 1929, finds it advisable, in order to carry out the policy declared in section 1 of said agricultural marketing act, with respect to any agricultural commodity, to issue export debentures with respect to such commodity, said board shall give notice of such finding to the Secretary of the Treasury. Upon the receipt of such notice it shall be the duty of the Secretary of the Treasury, commencing and terminating at such time as the board shall prescribe, to issue export debentures to any farmer, cooperative association, stabilization corporation, or other person with respect to such quantity of the commodity or any manufactured food product thereof or any product manufactured from cotton or tobacco, if the cotton or tobacco out of which it is manufactured if exported in the raw material would have been entitled to receive a debenture therefor, as such person may from time to time export from the United States to any foreign country. The export debenture shall be in an amount to be computed under the direction of the Secretary of the Treasury, in accordance with such regulations as he may prescribe, at the debenture rate for the commodity or product that is in effect at the time of exportation. Any such computation shall be final.

(b) In order to procure the issuance of an export debenture, the farmer, cooperative association, stabilization corporation, or other person shall, in accordance with such regulations as the Secretary of the Treasury may prescribe, make application for such debenture and submit satisfactory proofs either (1) that the commodity to be exported was produced in the United States and has not previously been exported therefrom, or (2) that the commodity used in making the manufactured food product or any product manufactured from cotton or tobacco, if the cotton or tobacco out of which it is manufactured if exported in the raw material would have been entitled to receive a debenture therefor, to be exported was produced in the United States and the agricultural commodity and the manufactured food product or any product manufactured from cotton or tobacco if the cotton or tobacco out of which it is manufactured if exported in the raw material would have been entitled to receive a debenture therefor, have not previously been exported therefrom.

(c) An export debenture, when presented by the bearer thereof within one year from the date of issuance, shall be receivable at its face value by any collector of customs, or deputy collector of customs, or other person authorized by law or by regulation of the Secretary of the Treasury to perform the duties of collector of customs, in payment of duties collectible against articles imported by the bearer. Title to any export debenture shall be transferable by delivery. In order to prevent any undue speculation in the handling of such export debentures, the Secretary of the Treasury is authorized and directed, under such rules and regulations as he may prescribe, to provide for the redemption of such export debentures from any money in the Treasury derived from the payment of duties collectible against articles imported into the United States at a rate of not less than 98 per cent of the face value of such export debentures.

(d) Debenture rates in effect at any time with respect to any agricultural commodity shall be one-half the rate of duty in effect at such time with respect to imports of such commodity, except that so long as no import duty is imposed on cotton the debenture rate thereon shall be 2 cents per pound. The debenture rate in effect at any time with respect to any manufactured food product of any agricultural commodity or any product manufactured from cotton or tobacco if the cotton or tobacco out of which it is manufactured if exported in the raw material would have been entitled to receive a debenture therefor, shall be an amount sufficient, as nearly as may be, to equal the debenture that would be issuable upon the exportation of the quantity of the agricultural commodity consumed in the manufacture of the exported manufactured food product, or any product manufactured from cotton or tobacco if the cotton or tobacco out of which it is manufactured if exported in the raw material would have been entitled to receive a debenture therefor, as prescribed and promulgated from time to time by said board.

(e) Regulations requiring that metal tags or other appropriate markings be placed on all bales of cotton produced in foreign countries and allowed transit through the United States for exportation, may be prescribed by the Secretary of the Treasury. Every person who violates any such regulation of said board shall be liable to a civil penalty of \$100 for each such offense. Such penalty may be recovered in a civil suit brought by said board in the name of the United States.

(f) The Secretary of the Treasury shall prepare and issue all export debentures. Export debentures issued under authority of this act shall be obligations of the United States within the definition in section 147 of the act entitled "An act to codify, revise, and amend the penal laws of the United States," approved March 4, 1909, as amended (U. S. C., title 18, sec. 261).

(g) Any person who shall make any false statement for the purpose of fraudulently procuring, or shall attempt in any manner fraudulently to procure, the issuance or acceptance of any export debenture, whether for the benefit of such person or of any other person, shall be fined not more than \$2,000 or imprisoned not more than one year, or both.

(h) In order to prevent undue stimulation in the production of any debenturable agricultural commodity, whenever said board finds that the production of any debenturable agricultural commodity during any crop years has exceeded the average annual production of such debenturable agricultural commodity for the preceding five years said board shall by proclamation prescribe that during the next succeeding year the export debenture rates for such commodity shall be reduced by the percentage hereinafter fixed. Such reductions shall become effective on the date fixed in such proclamation, not less than 60 days from the date of the issuance thereof, and shall remain in effect throughout such succeeding crop year. The term "crop year," as used in this section, means a 12 months' period beginning at a time designated by said board.

Reductions in debenture rates under this section shall be made in accordance with the following percentages:

(1) For an increase in production of less than 20 per cent, there shall be no reduction.

(2) For an increase in production of 20 per cent but less than 40 per cent, there shall be a reduction of 20 per cent.

(3) For an increase in production of 40 per cent but less than 60 per cent, there shall be a reduction of 50 per cent.

(4) For an increase in production of 60 per cent but less than 90 per cent, there shall be a reduction of 75 per cent.

(5) For an increase in production of 90 per cent or more, there shall be a reduction of 99 per cent.

Mr. NORRIS obtained the floor.

Mr. WALCOTT. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. WALCOTT. Mr. President, to-morrow morning, when the Senate convenes, I intend to ask unanimous consent to offer a resolution that Congress confer upon Amelia Earhart Putnam the congressional medal of honor for her achievements in the air, her latest accomplishment being a flight over the Atlantic in a plane by herself.

Mr. NORRIS. Mr. President, would it be agreeable to the Senator to offer his resolution now? A great many Senators who have gone from the Chamber have left word that they did not want to vote to-night on the amendment I have offered. I do not want to take any advantage of the absence of any Senator. Perhaps we would not reach a vote on the amendment to-night, anyway, but I am willing, if the Senator can get unanimous consent, that he may offer his resolution to-night, and I will let my amendment go over until to-morrow.

Mr. WALCOTT. Mr. President, I would prefer not to do that, because I have not prepared the resolution.

Mr. NORRIS. Very well.

Mr. McNARY. Mr. President, will the Senator from Nebraska yield?

Mr. NORRIS. I yield.

Mr. McNARY. I am sure that a number of Senators who are now absent had no warning that this proposal of the Senator from Nebraska would be brought up to-night, and I think it would perhaps be unfair to them to have a vote on the amendment to-night. Can we not go on with the copper amendment?

Mr. NORRIS. As far as I am personally concerned, I am perfectly willing that my amendment should go over, but I did have an understanding with at least a dozen Senators whom I told I intended to offer this amendment as soon as we voted on the lumber schedule. I suppose some Senators who are absent thought perhaps my amendment would not be offered until later. I am willing to go on with my remarks to-night, and at the conclusion of what I have to say, which will not be very long, have the amendment put over, or I am willing to have it go over now.

Mr. SMOOT. I would like to ask the Senator from Michigan whether he is ready to go on with the copper amendment?

Mr. VANDENBERG. I should like very much to proceed with the copper amendment at the present time.

Mr. NORRIS. Mr. President, I am somewhat at a loss to know what to do. There are some Senators who want to go ahead first with the amendment I have offered. I understand a dozen Senators who are not in the Chamber at the present time want to be here when we vote on this amendment. May I ask the Senator from Utah whether we are to meet at 11 o'clock to-morrow?

Mr. SMOOT. Yes; we have a unanimous-consent agreement to that effect.

Mr. NORRIS. Suppose we should go ahead with the copper amendment and not finish the consideration of it to-night. Would the Senator from Michigan be willing that we should then lay it aside and at 11 o'clock to-morrow take up the amendment I have offered?

Mr. VANDENBERG. Mr. President, I would like to ask unanimous consent that the copper amendment be submitted to the Senate without debate and voted upon. If that were done, I think there would be no difficulty, from my point of view, in suspending the session until to-morrow after that.

Mr. NORRIS. Of course, if we should vote on the amendment immediately, as the Senator suggests, we would probably go on with something else.

Mr. VANDENBERG. I would include in my unanimous-consent request that after the vote was taken the Senate take a recess.

Mr. McNARY. Mr. President, if that consent were asked, I should, at the conclusion of the vote, move an executive session, so that there would be no more legislative business this evening.

Mr. NORRIS. Then, Mr. President, I will temporarily withdraw the amendment I have offered, with the understanding that I will be allowed to offer it the first thing when the Senate convenes to-morrow morning.

Mr. VANDENBERG. Mr. President, I ask that the committee amendment relating to copper be laid before the Senate.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 244, after line 9, the committee proposes to insert:

(7) Copper-bearing ores and concentrates and articles provided for in paragraphs 316, 380, 381, 387, 1620, 1634, 1657, 1658, or 1659 of the tariff act of 1930, 4 cents per pound on the copper contained therein: *Provided*, That no tax under this paragraph shall be imposed on copper in any of the foregoing which is lost in metallurgical processes. All articles dutiable under the tariff act of 1930, not provided for heretofore in this paragraph, in which copper (including copper in alloys) is the component material of chief value, 3 cents per pound. All articles dutiable under the tariff act of 1930, not provided for heretofore in this paragraph, containing 4 per cent or more of copper by weight, 3 per cent ad valorem or three-fourths of 1 cent per pound, whichever is the lower. The tax on the articles described in this paragraph shall apply only with respect to the importation of such articles. The Secretary is authorized to prescribe all necessary regulations for the enforcement of the provisions of this paragraph.

Mr. VANDENBERG. Mr. President, in the interest of expedition, and in view of the fact that this amendment has been fully discussed by the Finance Committee and its compensatory structure has been technically approved by the experts of the Tariff Commission, I ask unanimous consent that the amendment be submitted to immediate vote of the Senate without debate.

The VICE PRESIDENT. Is there objection?

Mr. TYDINGS. I object.

Mr. VANDENBERG. I shall be very glad to proceed briefly to present the case for copper.

Mr. BINGHAM. Mr. President—

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Connecticut?

Mr. VANDENBERG. I yield.

Mr. BINGHAM. I thank the Senator from Michigan for his courtesy.

Mr. President, there has been placed on the desk of each Senator to-day an amendment which I have offered of a revenue-producing nature which, in the opinion of those most conservatively looking at the question, will yield a revenue of about \$375,000,000 per annum in lieu of several

other taxes proposed to be offered beginning on page 246. I do not desire to take time to argue for the amendment at the present time, but merely to state, in response to numerous questions which have been submitted to me by various Senators, that I propose to adopt the amendment as soon as—

Mr. BORAH. The Senator means he proposes to offer it?

Mr. BINGHAM. I shall adopt it, but I shall also offer it. I thank the Senator. I propose to offer the amendment as soon as we conclude the discussion of the tariff amendments and as soon as we reach the section on automobiles, on page 246.

Mr. BORAH. The Senator stated he would do so as soon as we complete the tariff items. The Senator from Nebraska [Mr. NORRIS] has signified his desire, and there is a tacit understanding that he shall have the opportunity to offer the debenture amendment.

Mr. BINGHAM. I understood he was to offer it as soon as we finish with the copper item. There is still another tariff item, the tariff on rubber. I do not intend to interfere with the proposal of the Senator from Nebraska, but merely am taking advantage of the situation which he has created for the amendment in which he is interested to state that I desire to offer an amendment in regard to a real revenue-producing measure which will help to balance the Budget and which will help to restore economic prosperity, and this as soon as we succeed in finishing the rubber item.

Mr. BORAH. I think it is appropriate that it shall follow rubber. [Laughter.]

Mr. VANDENBERG. Mr. President, let me approach the question of expedition from another angle. Instead of asking unanimous consent, which I can readily understand might be offensive in a situation of this sort, let me ask for the yeas and nays upon the pending amendment.

The VICE PRESIDENT. Is the demand seconded?

The yeas and nays were ordered.

Mr. WALSH of Massachusetts. Mr. President, before the vote is taken I should like to have inserted in the Record the views of the minority in objection to this item, together with some statistics and a statement of overproduction.

The VICE PRESIDENT. Without objection, it is so ordered.

The extract from the minority report is as follows:

COPPER

There is no gainsaying the present distress of the American copper industry in the United States. Copper is now selling in New York at around 6 cents per pound. This compares with an average price for the past 30 years (excluding the war years) of 14.8 cents. American copper mines are said to have a potential capacity of 1,318,000 short tons per annum. In 1931 the United States market absorbed roundly 454,500 tons of primary copper and present consumption is lower still, perhaps not in excess of 25 per cent of our producing capacity. Present stocks of copper above ground are said to represent one year's supply for the entire world at present rate of consumption, and the United States alone owns 71 per cent of this stock. Foreign production of copper far out-runs foreign consumption. The surplus of foreign copper is displacing domestic copper in our domestic market. What is true of many other commodities applies to copper. The world is suffering from a huge surplus of copper.

The question at issue is whether the erection of a tariff wall against foreign copper will in the long run benefit the country. On that question testimony of opposing copper groups before the Finance Committee was in sharp disagreement.

The proponents of a copper tariff sought a rate of 5 cents per pound and said that they anticipated its effect would be to stabilize the price of American copper in the American market at around 11 cents per pound.

The bill as reported carries a copper tariff at the rate of 4 cents per pound. The contention that, despite such a duty, foreign copper will still be dumped in this market and pay a duty and hence the Government will derive a tariff revenue from the copper duty is in our judgment unconvincing. We incline to the view that the proposed duty would exclude foreign copper and hence be of no consequence so far as revenue is concerned. On the question of the benefit of the proposed duty to the American copper industry and to the country we are inclined to subscribe to the views presented by those representatives of the industry who oppose the duty and who contend that it will do more harm than good. In any event, we submit that the present revenue bill is not the time and place for Congress to deal with the complicated and world-embracing issues which are raised by the question of removing copper from the free list, where it has remained since 1894, and granting compensatory duties to the large number of manufactured products that contain copper.

The other matter referred to by Senator WALSH of Massachusetts is as follows:

Copper statistics, 1931

(Complete figures of total exports)

	Short tons
Stocks beginning of year, refined and blister.....	532,500
Production of primary refined copper:	
United States.....	523,000
Cuba.....	10,498

IMPORTS

(Less Cuba)

(Department of Commerce)

	Short tons
Ore.....	11,790
Concentrates.....	49,704
Regulus, coarse, metal, and cement copper.....	735
Unrefined, black, blister, etc.....	140,925
Refined.....	87,225
Scrap, scale, and clippings.....	2,567
Old and brass (estimated contents).....	1,300
	283,748

1,349,746

EXPORTS

(Department of Commerce)

Ore and concentrates.....	150
Refined, ingots, bars, etc.....	202,698
Old and scrap.....	33,589
Pipes and tubes.....	1,035
Plates and sheets.....	2,269
Rods.....	29,415
Wire (except insulated).....	3,134

Department of Commerce only reports the above exports.

Below are estimated copper contents of material exported containing copper.

American Bureau of Metal Statistics (copper contents).

Insulated wire and cable.....	4,200
Manufactures of copper.....	900
Brass ingots, plates, bars.....	1,400
Brass pipes and tubes.....	1,100
Brass pipes and fittings.....	1,100
Brass or bronze wire.....	400
Bullders' hardware.....	400
Other brass and bronze manufactures.....	1,600
Plated ware.....	200
Nickel silver.....	100
Copper sulphate.....	900
Electrical manufactures.....	9,000
Automobiles.....	3,300
Freight cars.....	50
Locomotives.....	50
In scrap brass.....	8,000

304,990

Stocks end of year.....	608,500
Apparent domestic consumption.....	436,256

1,349,746

Reconciliation

	Tons
Imports (less Cuba).....	283,748
Exports.....	304,990
Excess exports.....	21,242
Increase in stocks.....	76,000
Exportable surplus.....	97,242

NOTE.—Where a condition like this exists it is quite illogical to argue that a tariff could more than temporarily increase the domestic price or could possibly increase the production rate of the mines.

OVERPRODUCTION OF COPPER

Couple these world surpluses of copper production with the general depressed business condition in this country and the world, and the principal causes of the deplorable distress in the American copper industry are reached. The copper industry is suffering from the universal ailment of the past few years—overproduction, caused by underconsumption, due to the general depression in all countries.

Here is what has happened to the market for copper in the United States. In 1929 the United States consumed 889,293 tons of copper, the most ever used by this country in a single year. In 1930 we consumed 632,508 tons, a decrease of nearly 28 per cent. In 1931 we consumed 454,000 tons, just slightly more than one-half of what this country consumed in 1929. According to the best information available, domestic consumption for the current year will amount to approximately 330,000 tons, or about 30 per cent of our consumption in 1929.

The steady increase of domestic copper stocks reveals the extent of overproduction in this country since 1928. On January 1, 1929,

copper stocks amounted to 268,500 tons; on January 1, 1930, they were 403,000; on January 1, 1931, 532,500 tons were in stock; and on January 1, 1932, 608,500 tons were in stock. In four years domestic copper stocks have much more than doubled. Such surpluses have usually caused a rapid decline in the market price for the commodity.

Copper prices declined rapidly as the volume of copper stocks grew. From an average of 18.1 cents per pound in 1929 the price of copper has dropped to the record low of 5.8 cents per pound in March of 1932. Despite this rapid drop in the price of copper, other metals have suffered a comparable price decline, as shown by the following chart:

Average cents per pound or ounce

	Copper, free	Lead, dutiable	Zinc, dutiable	Tin, free	Silver, free
1929.....	18.1	6.8	6.8	45.2	53.0
1930.....	13.0	5.5	4.6	31.7	38.2
1931.....	8.1	4.2	3.6	24.5	28.7
1932.....	5.8	3.2	2.8	21.9	29.8

It should also be emphasized that other metal industries have been compelled to curtail their production as drastically as has the American copper industry. The January production of copper was 32.2 per cent of the average 1929 rate, steel production in the same month was 32.3 per cent of the 1929 average, while January production of pig iron was only 27.6 per cent of the monthly average of 1929. The copper industry is but one of the metal industries suffering in this tragic depression.

The 4 cents per pound duty proposed is greatly in excess of the differences in production costs between foreign and domestic copper. As with the oil, coal, and lumber duties carried in this hybrid revenue bill, the copper duty is an embargo. It will raise no revenue and therefore is in no wise germane to a tax bill.

The actual difference between foreign and domestic costs of production amounts to "\$1.42 per pound when depletion of ore and interest on investment are taken into consideration, and 0.49 cent per pound when these two items are considered."

The VICE PRESIDENT. The yeas and nays having been ordered, the clerk will call the roll.

The Chief Clerk proceeded to call the roll, and Mr. ASHURST responded in the affirmative.

Mr. COPELAND. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. COPELAND. Several Senators are here who do not know what the vote is upon. Will the Chair state the question?

The VICE PRESIDENT. Let the clerk repeat the amendment again.

The Chief Clerk again reported the pending amendment.

The VICE PRESIDENT. The clerk will continue the roll call.

The Chief Clerk resumed the roll call.

Mr. BINGHAM (when his name was called). On this question I have a pair with the junior Senator from Virginia [Mr. GLASS]. If he were present, he would vote "nay," and if I were permitted to vote I should vote "yea."

Mr. BROOKHART (when his name was called). I have a pair with the senior Senator from Montana [Mr. WALSH]. If he were present, he would vote "yea." If I were permitted to vote, I would vote "nay."

Mr. BULOW (when his name was called). Making the same announcement as on the previous vote with reference to my pair with the senior Senator from Nevada [Mr. PITTMAN], I withhold my vote.

Mr. BYRNES (when his name was called). I have a pair with the junior Senator from Vermont [Mr. AUSTIN]. If he were present, he would vote "yea." If permitted to vote, I would vote "nay."

Mr. CAREY (when his name was called). I have a pair with the junior Senator from Ohio [Mr. BULKLEY]. If he were present, he would vote "nay," and if I were permitted to vote, I would vote "yea."

Mr. HASTINGS (when his name was called). On this vote I have a pair with the senior Senator from Alabama [Mr. BLACK]. I understand that if present he would vote "nay." If I were permitted to vote, I would vote "yea."

Mr. HATFIELD (when his name was called). Repeating my former announcement as to my pair with the senior Senator from North Carolina [Mr. MORRISON] and its transfer to the junior Senator from Iowa [Mr. DICKINSON], I vote "yea."

Mr. JONES (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. SWANSON]. I transfer that pair to the Senator from Colorado [Mr. WATERMAN] and vote "yea." If the Senator from Colorado [Mr. WATERMAN] were present, he would vote "yea."

Mr. NORBECK (when his name was called). On this question I have a pair with the senior Senator from Florida [Mr. FLETCHER], and therefore withhold my vote. If that Senator were present, he would vote "yea." If permitted to vote, I would vote "nay."

Mr. THOMAS of Oklahoma (when his name was called). I have a general pair with the senior Senator from Illinois [Mr. GLENN]. In his absence I withhold my vote.

Mr. TOWNSEND (when his name was called). I have a general pair with the senior Senator from Tennessee [Mr. McKELLAR]. In his absence I withhold my vote.

Mr. TYDINGS (when his name was called). On this vote I have a general pair with the senior Senator from Rhode Island [Mr. METCALF]. If he were present, he would vote "yea." If I were permitted to vote, I would vote "nay."

The roll call was concluded.

Mr. COPELAND. My colleague the junior Senator from New York [Mr. WAGNER] is necessarily absent. He is paired on this vote with the Senator from Missouri [Mr. PATTERSON], who, if present, would vote "yea." If permitted to vote, my colleague [Mr. WAGNER] would vote "nay."

Mr. WHEELER. My colleague the senior Senator from Montana [Mr. WALSH] is necessarily absent. If he were present, he would vote "yea."

Mr. HARRISON. Mr. President, am I recorded as voting in the negative?

The VICE PRESIDENT. The Senator is so recorded.

Mr. HARRISON. For the purpose of moving a reconsideration I change my vote from "nay" to "yea."

Mr. BULOW. I desire to announce that the Senator from Nevada [Mr. PITTMAN] is necessarily detained from the Senate, delivering an address on national relief measures over a nation-wide radio hook-up.

Mr. BRATTON (after voting in the affirmative). I transfer my pair with the Senator from Oklahoma [Mr. GORE] to the Senator from Florida [Mr. TRAMMELL] and let my vote stand.

Mr. SHEPPARD. I desire to announce that the junior Senator from Oklahoma [Mr. GORE] and the junior Senator from Florida [Mr. TRAMMELL] are necessarily detained from the Senate.

I also wish to announce that the senior Senator from Virginia [Mr. SWANSON], the senior Senator from Alabama [Mr. BLACK], and the senior Senator from North Carolina [Mr. MORRISON] are necessarily out of the city.

The result was announced—yeas 42, nays 25, as follows:

YEAS—42

Ashurst	Dill	King	Shortridge
Bailey	Goldsborough	Lewis	Smoot
Bratton	Hale	Long	Steiwer
Broussard	Harrison	McGill	Thomas, Idaho
Capper	Hatfield	McNary	Vandenberg
Caraway	Hayden	Moses	Walcott
Connally	Hebert	Neely	Watson
Couzens	Johnson	Oddie	Wheeler
Cutting	Jones	Reed	White
Dale	Kendrick	Robinson, Ind.	
Davis	Keyes	Sheppard	

NAYS—25

Bankhead	Copeland	Hull	Schall
Barbour	Costigan	Kean	Shipstead
Barkley	Fess	La Follette	Smith
Blaine	Frazier	Logan	Walsh, Mass.
Borah	George	Norris	
Cohen	Hawes	Nye	
Coolidge	Howell	Robinson, Ark.	

NOT VOTING—29

Austin	Dickinson	Morrison	Trammell
Bingham	Fletcher	Norbeck	Tydings
Black	Glass	Patterson	Wagner
Brookhart	Glenn	Pittman	Walsh, Mont.
Bulkeley	Gore	Stephens	Waterman
Bulow	Hastings	Swanson	
Byrnes	McKellar	Thomas, Okla.	
Carey	Metcalfe	Townsend	

So the amendment of the committee was agreed to.

Mr. HARRISON. Mr. President, I enter a motion to reconsider the vote by which the amendment was agreed to.

Mr. ASHURST. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. ASHURST. Did the Senator from Mississippi move to reconsider the vote?

The VICE PRESIDENT. The Senator from Mississippi entered the motion.

Mr. ASHURST. I move to lay the motion on the table, and on that I demand the yeas and nays.

Mr. HARRISON. Mr. President I have not made the motion yet. I am merely serving notice that I shall make it in order that I may come within the rule.

EXECUTIVE SESSION

Mr. McNARY. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate several messages from the President of the United States submitting nominations, which were referred to the appropriate committees.

(For nominations this day received see the end of Senate proceedings.)

REPORTS OF COMMITTEES

Mr. HASTINGS, from the Committee on the Judiciary, reported favorably the nomination of G. Fred Flanders, of Georgia, to be United States marshal, southern district of Georgia, to succeed George B. McLeod, term expired.

Mr. SCHALL, from the Committee on the Judiciary, reported favorably the nomination of Anthony Savage, of Washington, to be United States attorney, western district of Washington.

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

UNITED STATES SHIPPING BOARD

The VICE PRESIDENT. The calendar is in order.

The Chief Clerk read the nomination of T. V. O'Connor, of New York, to be a member of the Shipping Board for a term of six years from June 9, 1932.

Mr. COPELAND. Mr. President, the Senator from Tennessee [Mr. McKELLAR] has asked that this nomination go over. In view of his illness I have no objection to his request. I have no desire to press the matter if there is not undue delay.

The VICE PRESIDENT. The nomination will go over.

THE JUDICIARY—B. B. MONTGOMERY

The Chief Clerk read the nomination of B. B. Montgomery to be United States marshal northern district of Mississippi.

Mr. HASTINGS. Mr. President, at the last executive session I asked that this nomination go over. Before it is confirmed or rejected I desire to make a short statement in connection with it. I do not know whether it is desirable to do it at this time or to permit the nomination to go over until the next executive session.

Mr. HARRISON. Mr. President—

The VICE PRESIDENT. Does the Senator from Delaware yield to the Senator from Mississippi?

Mr. HASTINGS. I yield.

Mr. HARRISON. I had very much hoped that this matter might be settled. The nominee is a Republican who has been nominated to fill an office in my State. The nomination has been pending in the committee for some time, and, of course, in view of the consideration of the pending tax bill we may not have another executive session for some time. Will not the Senator from Delaware make his statement to-night and let us take action on the nomination?

Mr. HASTINGS. Mr. President, I was appointed chairman of the subcommittee to consider this nomination, which

has been before the Senate for a considerable time. The charge made on which the objection to this nominee is based is that he has made some very disrespectful remarks relative to the colored people of the State of Mississippi. The charge was of sufficient seriousness for the committee to believe that if it could be established that the statement was true it would be sufficient reason for rejecting the nomination.

There were some half-dozen affidavits submitted by various persons who testified in those affidavits that such a statement had been made by Mr. Montgomery. Montgomery, on the other hand, very positively denied making any such statement. All the evidence is that he is a thoroughly competent man for the position, and no objection was made to him except upon this one point. I think the paper evidence before the committee would show that he did make the statement; he insists that he did not; and, of course, there is no definite way to determine whether he did or did not make it.

The colored people of Mississippi sent statements to the colored people's organizations all over the country to the effect that Mr. Montgomery had made the remarks attributed to him. He undoubtedly has created the impression among the colored people all over the country that he had made disrespectful remarks relative to the colored women of the State of Mississippi.

In my judgment, in view of the whole condition of the record, in view of the fact that the colored people of the country believe the statement to be true, whether it be or not, it was not desirable for the Senate to confirm the nominee.

I do not propose to make any extended remarks with respect to the nomination. I merely want to be recorded as against its confirmation.

Mr. SHORTRIDGE. Mr. President, I join in the request that this nomination go over until the next executive session, and I renew that request. It is not my desire to-night to discuss the merits of the controversial question, namely, whether this nominee did or did not utter the words imputed to him. I think we can save time if the request be granted. I should certainly not ask for any further consideration than that the nomination lie over until to-morrow evening if the Senate please.

The VICE PRESIDENT. Is there objection?

Mr. HARRISON. Mr. President—

Mr. SHORTRIDGE. I can express myself in a few words with certain data before me which I have not now, not knowing that we would have an executive session this evening. That is the only reason why I make the request. I do not make it for the purpose of indefinite delay at all.

Mr. HARRISON. Mr. President, of course if the Senator wants the nomination to go over and objects to its consideration, I shall not insist upon its being considered. The Senator from Delaware, however, has made a very fair statement of the facts, and I am sure the Senator from California agrees that the issue stated by the Senator from Delaware is that which is before the Senate.

I have known this appointee for some time; he is a Republican and I never mess in Republican politics. I think that some of the colored population believe that perhaps the nominee did make the statement attributed to him, but I am sure they are mistaken, because this man is an upright citizen of the State, and I am sure would make a good officer or I would not be for his confirmation. I had hoped, in view of the fact that we are discussing the tax bill which may take some time, and as this nomination has been before the committee for quite a while, that the Senator, in the bigness of his heart, would permit the Senate to take action on the nomination now and not prolong it, because the nominee ought to be in the office if we are going to confirm him. I hope the Senator will not ask for delay, but will let us take action on the nomination.

Mr. SHORTRIDGE. Mr. President, let me repeat what I just stated. Of course, I did not know that we would have an executive session this evening, and I have not the data before me. I repeat that I would be very willing to have

an executive session to-morrow, and I shall take but a few moments to lay the facts as I understand them before the Senate. I do not seek, of course, indefinite delay.

Mr. HARRISON. May I ask the Senator if more facts came to the attention of the committee than those the Senator from Delaware has stated? As I understood, the statement alleged to have been uttered by Mr. Montgomery was brought to the attention of the committee and was denied. I think the Senator knows well that my colleague and I would not want the appointee to be marshal if the facts alleged were true. If there were anything against the nominee, certainly we would be among the first to object.

Mr. SHORTRIDGE. I do not wish to delay the confirmation of the nomination. I have expressed my wish.

Mr. HARRISON. If it is a wish of the Senator that the nomination go over, I shall not insist on its being considered. I am only trying to expedite the consideration of the tax bill and at the same time to accord prompt consideration to a matter that is of some importance and which has been delayed for some time in the committee.

Mr. SHORTRIDGE. If I may do so, I ask unanimous consent, in order to speed the matter, that when we take a recess to-morrow evening, as in legislative session, we hold an executive session.

Mr. HARRISON. In the meanwhile, of course, if the Senator thinks of it no further, we can act accordingly.

Mr. SHORTRIDGE. Precisely. In any event, I will not take more than a few moments.

The VICE PRESIDENT. Is there objection to passing the nomination over? The Chair hears none.

The clerk will report the next nomination on the calendar.

MISSISSIPPI RIVER COMMISSION

The Chief Clerk announced the nomination of Col. Harley B. Ferguson, Corps of Engineers, United States Army, to be member and president of the Mississippi River Commission.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

POSTMASTERS

The Chief Clerk proceeded to read the nominations of sundry postmasters.

Mr. ODDIE. I ask unanimous consent that the list of nominations of postmasters may be confirmed en bloc.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the nominations are confirmed en bloc.

NAVY

The Chief Clerk proceeded to read the nominations of sundry officers of the Navy.

Mr. HALE. I ask unanimous consent that all naval nominations may be confirmed en bloc.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the naval nominations are confirmed en bloc.

That completes the calendar.

BALANCING THE BUDGET—REPLY TO WILMINGTON CHAMBER OF COMMERCE

The Senate resumed legislative session.

Mr. FESS. Mr. President, the Chamber of Commerce of the City of Wilmington, Del., recently adopted a resolution couched in three paragraphs. In one paragraph it is stated that in their belief, speaking to the membership of the Chamber, the Budget should be balanced without resort to taxation. If it can not be thus balanced, then taxation would be advisable.

The senior Senator from Delaware [Mr. HASTINGS] has answered the resolution, item by item, in a communication to the editors of the Evening Journal, the Morning News, and Every Evening. I think every Senator would like to have the information contained in the letter prepared by the Senator from Delaware. It is in succinct form, indicates what the charges on the Treasury are, both for 1931 and for the present year, and then comments on each item. I ask unanimous consent that the letter may be printed in the Record.

Mr. KING. Mr. President, I wish to ask the Senator from Ohio a question. I did not understand the full import of his statement. Does the statement show that the Budget may be balanced without the imposition of taxes?

Mr. FESS. It certainly does not. The opposition to the imposition of additional taxes is so general and I think misinformation throughout the country also is so general that I believe the succinct answer the Senator from Delaware has made affords very valuable information for us all.

The VICE PRESIDENT. Is there objection to the request of the Senator from Ohio to print in the RECORD the communication referred to by him?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 30, 1932.

To the EDITORS EVENING JOURNAL, MORNING NEWS, EVERY EVENING.

MY DEAR SIR: I have prepared a statement upon a matter in which I believe all of the citizens of Delaware are very much interested. It refers to the difficult problem of balancing the Federal Budget. I have endeavored to put the facts and the figures in as concise form as possible and I should be very grateful to you if you would publish the following statement in full.

A letter from the Chamber of Commerce of Wilmington, under date of March 25, calls my attention to the fact that at a special meeting of the board of directors held on that date the following resolution was unanimously adopted:

"Whereas this body, on March 10, 1932, by its vote on referendum No. 80 of the Chamber of Commerce of the United States, placed itself on record in favor of the Federal Government balancing its Budget—first, through a reduction of expenditures, then, if this were not possible, by assessment of taxes; and

"Whereas a further study of this question has convinced us that the balancing of the Budget can be accomplished by the reduction of Federal expenditures: Now, therefore, be it

"Resolved, That we go on record in favor of balancing the Budget by a reduction of Federal expenditures before resorting to any increase in existing taxes or imposition of new taxes."

In this morning's mail I received numerous letters from business people in Wilmington calling my attention to this resolution and urging me to do what I could to accomplish the result mentioned therein. This resolution, in effect, states that the chamber of commerce has given the matter careful study and has reached the conclusion, if I understand the resolution, that it is possible to balance the Budget by cutting Federal expenditures and that it will not, therefore, be necessary to increase taxes if the reductions are made.

Such a statement as this by the chamber of commerce makes it imperative, from my point of view, to point out the impossible task which such a resolution imposes upon Congress.

I urge all persons who are interested in this subject to study the following figures with the greatest care:

Fiscal year beginning July 1, 1931, and ending June 30, 1932

Item:

A. Statutory debt retirement.....	\$412,000,000
B. Interest on public debt.....	605,000,000
C. Annual payments for aid to veterans.....	989,500,000
D. Expense of national defense.....	721,400,000
E. Public buildings and public works.....	528,200,000
F. Administrative and other expenses.....	1,226,000,000

Total..... 4,482,100,000

Estimated income..... 2,243,000,000

Deficit..... 2,239,100,000

Estimated figures for fiscal year beginning July 1, 1932, and ending June 30, 1933

Item:

A. Statutory debt retirement.....	\$496,800,000
B. Interest on public debt.....	640,000,000
C. Annual payments for aid to veterans.....	983,200,000
D. Expense of national defense.....	694,800,000
E. Public buildings and public works.....	392,900,000
F. Administrative and other expenses.....	905,200,000

Total..... 4,112,900,000

Estimated income..... 2,374,900,000

Deficit..... 1,738,000,000

In endeavoring to balance the Budget we must look at the above figures and see whether or not it can be done. I desire to discuss them in the order in which I have stated them.

ITEM A. STATUTORY DEBT RETIREMENT

It will be observed that the statutory requirement for debt retirement has been increased by the sum of \$84,800,000. This item is not a particularly important item, in view of the fact that we are borrowing money to maintain the sinking fund. It is considered important, however, by most persons to continue to make the sinking fund payments.

ITEM B. INTEREST ON PUBLIC DEBT

It will be observed that this item has been increased by \$35,000,000. Nobody, of course, intends to suggest that there can be any reduction in this item.

ITEM C. ANNUAL PAYMENTS FOR AID TO VETERANS

This item has been reduced in the next fiscal year over that of the present year by the sum of \$6,300,000. These annual payments for the aid of the veterans grow out of a series of laws that have been passed since the World War for the aid of the veterans. I think it may be safe to say that by far the greatest portion of it is for the aid of disabled veterans. Personally, I have not been as liberal with the World War veterans as many of my friends think I ought to have been. My objection to appropriating Federal money to aid the veteran has been confined to the physically able veteran. I think none of us can afford to neglect the disabled veteran, and therefore, from my point of view, I do not see how this item could be greatly reduced.

ITEM D. EXPENSE OF NATIONAL DEFENSE

This item has been reduced in the next fiscal year over the present fiscal year by \$26,600,000. There is, of course, a very serious difference of opinion as to whether this item could be further reduced. There are many people in the country who are inclined to believe that it might be reduced to a nominal sum. Others believe that to undertake to economize on this item is false economy. There are many persons also who believe that the item ought to be greatly increased. I am satisfied that the President and the departments constituting the national defense have reduced it as much as it is reasonably possible to reduce it with safety to the country.

It will be observed, therefore, that in the present fiscal year these items, consisting of items A, B, C, and D, which seem to me can not be reduced, amount to \$2,727,900,000 and the same items for the next fiscal year amount to \$2,814,800,000. This shows an increase in the permanent Government expenses of \$86,900,000.

ITEM E. PUBLIC BUILDINGS AND PUBLIC WORKS

The next fiscal year in this item over the present fiscal year shows a decrease of \$135,300,000. This item includes appropriations for river and harbor improvements and \$160,000,000 appropriated for aid to the different States in building roads.

There has been much controversy, of course, about the Government's attitude with respect to expending large sums for the purpose of building public buildings and public works; the contention made being that this is one of the ways in which the Government could assist in the matter of unemployment. Just how much reduction could be made here may very well be questioned.

ITEM F. ADMINISTRATIVE AND OTHER EXPENSES

The estimate for the coming fiscal year as compared with the present fiscal year shows a reduction of \$320,800,000. This item includes \$195,000,000 deficit due to loss sustained by the Government in the Post Office Department. It also includes \$90,700,000 that was returned to the taxpayers as an overpayment in taxes. Nobody will contend that this \$90,700,000 should not be returned and when it comes to considering the reduction in expense this item should be classed as a permanent item upon which no reduction can be made.

Let us take items E and F for the coming fiscal year, amounting to \$1,208,100,000, deduct from that \$90,700,000 that it is estimated will be required to refund overpaid taxes, and you have left \$1,107,400,000.

Admitting, as I contend every reasonable person must admit, that it is from this item alone that savings can be made and remembering also that the estimated deficit for the coming fiscal year will be \$1,738,000,000, then I ask the question how the chamber of commerce or anybody else can argue that it is possible for the Congress to balance this Budget without raising additional revenue? In other words, if you take as permanent items A, B, C, and D and admit that the savings can be made only in items E and F and deduct the amount that is necessary to refund overpaid taxes you are short \$630,600,000. If you eliminate the entire expenses of items E and F. In other words, if you stopped all public buildings and all public works and cut out every administrative expense in the entire country, you would still be short \$630,000,000.

I merely ask the question, therefore, how any reasonable person can expect Congress to balance the Budget without finding some new way to raise revenue? If anybody has any suggestions to make along this line, I should be delighted to hear from him.

I do not want to be understood as not being in sympathy with a reduction in the Federal expenses, nor do I want to be understood as saying that it is not possible to do anything, but I do say emphatically that you can neither balance nor approach a balance by cutting Federal expenses alone.

INCREASE IN PUBLIC DEBT

In connection with the above statement it might be well to call attention to the fact that for the fiscal years 1931 and 1932 the public debt has been increased by \$3,069,000,000.

DANIEL O. HASTINGS.

RECESS

Mr. McNARY. I move that the Senate take a recess, the recess being in conformity with the order heretofore entered, until 11 o'clock a. m. to-morrow.

The motion was agreed to; and (at 9 o'clock and 27 minutes p. m.) the Senate, in accordance with the order previously entered, took a recess until to-morrow, Tuesday, May 24, 1932, at 11 o'clock a. m.

NOMINATIONS

*Executive nominations received by the Senate May 23
(legislative day of May 9), 1932*

MEMBER OF THE FEDERAL POWER COMMISSION

Marcel Garsaud, of Louisiana, to be a member of the Federal Power Commission for the term expiring June 22, 1937 (reappointment).

MEMBER OF THE FEDERAL FARM BOARD

C. B. Denman, of Missouri, to be a member of the Federal Farm Board for a term of six years from June 15, 1932 (reappointment).

COLLECTOR OF CUSTOMS

George D. Hubbard, of Seattle, Wash., to be collector of customs for customs-collection district No. 30, with headquarters at Seattle, Wash. (reappointment).

PUBLIC HEALTH SERVICE

Passed Asst. Surg. Leo W. Tucker to be a surgeon in the Public Health Service, to rank as such from June 15, 1932.

CONFIRMATIONS

*Executive nominations confirmed by the Senate May 23
(legislative day of May 9), 1932*

MEMBER AND PRESIDENT OF THE MISSISSIPPI RIVER COMMISSION

Col. Harley B. Ferguson to be a member and president of the Mississippi River Commission.

PROMOTIONS IN THE NAVY

To be commanders

Eric L. Barr.
Howard H. Good.

To be lieutenant

William A. Fly.

To be surgeons

Frank L. Hubbard.	Joseph J. Kaveney.
Robert F. Sledge.	Edward H. Sparkman, jr.
Elwin C. Taylor.	

To be dental surgeons

Frank V. Davis.	George L. Reilly.
Walton C. Carroll.	Frederick W. Mitchell.
Charles L. Tompkins.	

To be assistant naval constructors

John H. Ellison.	James M. Farrin, jr.
Mario G. Vangeli.	John H. Keatley.
William T. Jones.	William C. Allen.
Herbert C. Zitzewitz.	Herbert J. Hiemenz.
William H. Leahy.	Thomas E. Kent, jr.
Victor B. Cole.	

To be ensigns

Ernest P. Abrahamson.	Robert O. Bisson.
Frank C. Acker.	Richard H. Blair.
Allen B. Adams, jr.	Norman E. Blaisdell.
Richard D. Adams.	Howard E. Born.
Henry I. Allen, jr.	Thomas K. Bowers.
John D. Andrew.	Alpha L. Bowser, jr.
Stephen M. Archer.	Horace R. Brannon.
Lionel A. Arthur.	Cyrus Brewer.
Edwin C. Asman.	Charles F. Brindupke.
Walter Asmuth, jr.	Lawrence S. Brown.
Barry K. Atkins.	Sheldon W. Brown.
Burl L. Bailey.	William W. Brown.
George W. Bailey.	Frank H. Brunby, jr.
Harold E. Baker.	Louis A. Bryan.
Robert L. Baker.	William I. Bull.
Jack I. Bandy.	Peris G. Bunce.
George R. Beardslee.	Horace P. Bush, jr.
Robert O. Beer.	Arthur B. Caley.
George L. Bellinger.	Herbert J. Campbell.
Richard H. Best.	Philip W. Cann.
Frank J. Bigaouette.	Truman E. Carpenter.
James C. Bigler.	Daniel L. Carroll, jr.
Ed. B. Billingsley.	George N. Carroll.
Jack A. Binns.	William J. Catlett, jr.

Thomas E. Chambers.

Edgar G. Chase.
Irwin Chase, jr.
John L. Chittenden.
James M. Clement.
Burdette E. Close.
Clarence O. Cobb.
Herbert M. Coleman.
Walter D. Coleman.
James D. Collett.
Thomas J. Colley.
Fred Connaway.
Harry S. Cook.
Robert E. Coombs, jr.
Alfred L. Cope.
John Corry.
George Corson.
John L. Counihan, jr.
William R. Cox.
Alexander B. Coxe, jr.
James G. Craig, jr.
Richard S. Craighill.
Dennis S. Crowley.
Roland H. Dale.
Joseph B. Davis.
Henry C. DeLong.
Robert L. Denig, jr.
Mark E. Dennett.
John C. DeWitt, jr.
Hector de Zayas.
Nathaniel M. Dial.
Aquila G. Dibrell, jr.
William J. Dimitrijevic.
William A. Dobbs.
Juan P. Domenech.
Francis M. Douglass.
Anthony H. Dropp.
Earl R. Eastwold.
Lynn T. Elliott.
Paul E. Emrick.
William K. Enright.
Sidney A. Ernst.
Robert L. Evans.
Charles H. Everett, jr.
John L. Everett, jr.
John S. Fahy.
John F. Fairbanks, jr.
Carl F. Faires, jr.
Marion A. Fawcett.
Emerson E. Fawkes.
Willard Feldscher.
Earl P. Finney, jr.
James A. Flenniken.
Francis D. Foley.
Joel C. Ford, jr.
Dale R. Frakes.
William R. Franklin.
Charles L. Frazer.
Bernard W. Freund.
Robert B. Fulton, 2d.
Malcolm E. Garrison.
Albert E. Gates, jr.
Scott K. Gibson.
Charles C. Gold.
Robert E. Goodgame, jr.
Arthur A. Goodhue.
Daniel C. Goodman.
Richard H. Gorsline.
Daniel S. Gothie.
Frederick M. Gramlich.
Richard O. Greene.
Archibald W. Greenlee.
Richard V. Gregory.
John M. Grider.
Paul H. Grouleff.
William H. Groverman, jr.

LeRoy B. Halsey.
Mason J. Hamilton.
Thomas G. Hardie.
Brooks J. Harral.
Paul H. Harrington.
Joseph L. Harwell.
Richard D. Harwood.
J. Harry Hayes.
Harvey H. Head.
Oscar A. Heinlien, jr.
Hugh L. Hendrick, jr.
George O. Hobbs.
Ernest D. Hodge.
Edward R. Hodgkins.
William M. Holmes.
John H. Hooper.
Thomas W. Hopkins.
John S. Horner.
Frederic N. Howe.
Wilbur G. Howle.
George E. Hughes.
Harry Hull.
Ralph M. Humes.
Julian G. Humiston.
Harry C. Hummer.
James W. Humrichouse.
George C. Hunter.
Edwin W. Hurst.
Charles S. Hutchings.
George L. Hutchinson.
Earl T. Hydeman.
Walter D. Innis.
Joseph A. Jaap.
John F. Jacobs, jr.
George S. James, jr.
Garry W. Jewett, jr.
Clifford A. Johnson.
John H. S. Johnson.
Ralph C. Johnson.
Stanley H. Johnson.
William C. Jonson, jr.
Herbert L. Jukes.
Albert D. Kaplan.
Clarence E. Kasperek.
John H. Kaufman.
Cleo R. Keen.
Charles Keene, jr.
George W. Kehl.
William D. Kelly.
James L. Kemper.
William E. Kenna.
Robert H. Kerr.
Charles M. Keyes.
David F. Kinert.
Leon S. Kintberger.
Louis J. Kirn.
Henry T. Klinksiek.
Daniel C. Knock, jr.
Martin M. Koivisto.
Edmond G. Konrad.
Charles H. Kretz, jr.
Joseph H. Kuhl.
Samuel S. Labouisse.
John D. Lamade.
Richard H. Lambert.
Thomas D. F. Langen.
Theodore S. Lank.
Charles B. Lanman.
Earl A. Lapidus.
Jacob A. Lark.
Frank D. Latta.
Richard J. Lavery.
John R. Leeds.
Robert C. Leonard.
Kenneth P. Letts.
Travis R. Leverett.

John S. Lewis.
Porter Lewis.
Walter H. Lewis.
John M. Lietwiler.
Rex B. Little.
Harris C. Lockwood.
Joseph J. Loughlin, jr.
Thomas P. Lowndes.
Roland O. Lucier.
George R. Luker.
John P. Lunger.
Charles M. Lyons, jr.
William B. B. Lyons.
Albert S. Major, jr.
Charles K. Mallorys, jr.
Richard S. Mandelkorn.
Louis W. Mang.
James G. Marshall.
Max C. Mather.
Alfred R. Matter.
Robert J. C. Maulsby.
Rollins H. Mayer.
Lloyd H. McAlpine.
Bruce McCandless.
Henry H. McCarley.
John J. McCormick.
Samuel A. McCornock.
Victor B. McCrea.
David H. McDonald.
Joseph A. McGoldrick.
DeWitt C. McIver, jr.
Donald K. McLeod.
William R. Miller.
Gilbert H. Mitchell.
Samuel P. Moncure.
Thomas J. Montgomery.
Harry G. Moore.
John A. Moore.
Robert B. Moore.
John H. Morse, jr.
Malcolm T. Munger.
John Munholland.
Henry G. Munson.
Charlton L. Murphy, jr.
Jerome E. Murphy, jr.
Ellsworth N. Murray.
Charles W. Musgrave.
Lloyd M. Mustin.
Jacob C. Myers.
Nicholas J. Nicholas.
Terrell A. Nisewaner.
Francis E. Nuessle.
Michael B. O'Connor.
Charles J. Odend'hal, jr.
Paul G. Osler.
George M. Ottinger.
William Outerson.
Allan A. Ovrom.
Hinton A. Owens.
Charles J. Palmer.
Alton E. Parker.
Frank M. Parker.
Lloyd W. Parrish.
Milton F. Pavlic.
Edwin K. Payne.
Charles E. Perkins.
William B. Perkins, jr.
Paul W. Pfingstag.
Everett L. Phares.
Charles E. Phillips.
George E. Pierce.
Ray M. Pitts.
George E. Porter, jr.
Robert R. Porter.
George W. Pressey.
Howard R. Prince.

Samuel F. Quarles.
Philip D. Quirk.
John W. Ramey.
George L. Raring.
William H. Raymond, jr.
James V. Reilly.
Harry L. Reiter, jr.
Norwood B. Rhoads, jr.
George F. Rice.
William L. Richards.
John P. Roach.
William C. F. Robards.
Robert D. Roblin.
George P. Rogers.
Jack Roudebush.
Edward A. Ruckner.
Fred L. Ruhlman.
Norman J. Sampson.
Harold L. Sargent.
Otto A. Scherini.
Maximilian G. Schmidt.
William P. Schroeder.
Floyd B. Schultz.
Isador J. Schwartz.
David D. Scott.
Reader C. Scott.
Harry W. Seely.
Spencer L. Shaw.
John D. Shea.
Howard E. Shelton, jr.
Allen M. Shinn.
William B. Short, jr.
Wallace C. Short, jr.
Paul J. Shovestul.
DeWitt W. Shumway.
Max Silverstein.
Clayton R. Simmers.
Robert T. Simpson.
Alvin W. Slayden.
Selden C. Small.
Clare B. Smiley.
Charles H. Smith.
Daniel F. Smith, jr.
John B. Smith.
James G. Smith.
Lawrence Smith.
Levering Smith.
Lewis O. Smith, jr.
Reynolds C. Smith.
Lawrence W. Smythe.
Ernest M. Snowden.
Harry Sosnoski.
Rufus A. Soule, 3d.
John G. Spangler.
John O. Speer.
John R. Spiers.
Wilford T. Stannard.
Marvin T. Starr.
Roland E. Stieler.
Howard F. Stoner.
Robert L. Strickler.
William A. Stuart.
Charles M. Sugarman.
Morton Sunderland.
John J. Sutton.
William L. Tagg.
Ennis W. Taylor.
John G. Tennent, 3d.
Donald I. Thomas.
James A. Thomas.
Forest C. Thompson.
Joseph Thompson.
William A. Thorn.
James C. Toft, jr.
Harry E. Townsend.
William E. Townsend.

Harvey C. Tschirgi.
Augustine J. Tucker, 2d.
Howard J. Turton.
Magruder H. Tuttle.
Gordon W. Underwood.
Robert D. Underwood.
Harmon T. Utter.
Robert E. Vandling.
John R. Van Evera.
Salem A. Van Every, jr.
William W. Vanous.
Francis A. Van Slyke.
Frederick O. Vaughan.
John Vaughan.
Arthur H. Vorpahl.
William T. Vrooman.
Lucien E. Wagnon.
Robert P. Walker.
Alfred G. Ward.
Thomas G. Warfield.
Odale D. Waters, jr.
Albert A. Wellings.
Robert H. Weeks.
Charles J. Weschler.
John T. West.

Wallace H. Weston.
Theodore H. White.
William J. Widhelm.
Frank E. Wigelius.
Adolphe Wildner.
Chauncey S. Willard.
Paul D. Williams.
Richard C. Williams, jr.
Lindsey Williamson.
Marcus W. Williamson.
Thomas F. Williamson.
George R. Wilson.
Ronald L. Wilson.
Ralph M. Wilson.
William R. Wilson.
William Winter, jr.
Jack W. Wintle.
Joseph F. Witherow, jr.
Frederick Wolsieffer.
Edwin C. Woodward.
Joseph C. Wylie, jr.
Melvin T. Young.
Robert C. Young.
William T. Zink, jr.

MARINE CORPS

To be captain

Francis Kane.

To be second lieutenants

James R. Stephens.
Roger W. Beadle.

POSTMASTERS

CONNECTICUT

James V. Golden, Noroton Heights.
Anna C. Tucker, Sandy Hook.
Harry W. Walker, Simsbury.

FLORIDA

Hettie B. Spencer, Dade City.
Max V. Robinson, Melbourne.

IDAHO

Ray W. Banbury, Buhl.
William L. Killpack, Driggs.
Melvin E. Elison, Oakley.

LOUISIANA

Pinckney L. Dark, Ferriday.
Ella A. McDowell, Hodge.
John E. Butler, jr., Port Allen.

MASSACHUSETTS

David L. Kelley, Fairhaven.
Raymond H. Gould, Millers Falls.
Raymond L. Soule, West Boylston.

MICHIGAN

John W. Bowditch, Pittsford.
Wellington E. Reid, Ubly.

MISSISSIPPI

William B. Potts, Crawford.
James T. Skelton, Goodman.
William J. Stephens, Webb.
G. Albert Decell, Wesson.

NEBRASKA

Carl C. Moyer, Ainsworth.
Byron I. Demaray, Alexandria.
Millard M. Martin, Allen.
Lorena W. Doe, Arcadia.
Arvid S. Samuelson, Axtell.
Elmer H. Doering, Battle Creek.
Carl P. Smiley, Beaver Crossing.
Hazel R. Babbitt, Belgrade.
Elmer V. Barger, Benkelman.
Minnie L. Smith, Blue Spring.
Oscar M. Fenstermacher, Cedar Bluffs.

Gus Johnson, Ceresco.
 Clarence G. Struble, Chester.
 Ethel Talcott, Crofton.
 Charles A. Rogers, Decatur.
 Otto A. Steinkraus, Dodge.
 Harold L. Mackey, Eustis.
 George A. Fowler, Fairfield.
 Frank W. Fuhlrodt, Fremont.
 Earl F. Fishel, Guide Rock.
 Elizabeth McGuire, Hampton.
 Charles C. Cramer, Hardy.
 Robert E. Templin, Haskins.
 Frederick F. Thomas, Linwood.
 Howard W. Botsford, Meadow Grove.
 Verner O. Lundberg, Nehawka.
 Anton B. Helms, Randolph.
 Myron A. Gordon, Stratton.
 Albert E. Pratt, Tobias.
 Leo E. Kraft, Unadilla.
 Carl Carlson, Valparaiso.
 Louis A. Rice, Wilsonville.

NEVADA

John W. Christian, Pioche.

NEW JERSEY

Ralph H. Hulick, Browns Mills.
 Wilson S. Frederick, Dunellen.
 Frank L. Pote, Paulsboro.
 Rollin A. Cale, Pleasantville.
 Charles Herrmann, South River.
 Amos G. Wick, Woodbury.

NORTH DAKOTA

Ludwig Maurer, Center.
 Ole H. Opland, Mott.
 Michael Coyne, Starkweather.

OHIO

Charles E. Spiers, Atwater.
 Ralph Dunfee, Dresden.
 George H. Maxwell, Lexington.
 Fred C. Redick, Wooster.

OREGON

Charles W. Perry, Richland.

TEXAS

Mabel F. Selkirk, Blessing.
 Isaac H. Kendrick, Cross Plains.
 Cornelius A. Ogden, Deweyville.
 Richard M. Hanson, Mission.
 Helen Morris, Morgan.
 Llewellyn R. Atkins, New Boston.
 James A. Gray, Pecan Gap.
 Luther Bowers, Seagoville.
 William J. Davis, Silsbee.
 Killen M. Moore, Truscott.

UTAH

Wilson Murray, Vernal.

WASHINGTON

Trygve Lien, Stanwood.

HOUSE OF REPRESENTATIVES

MONDAY, MAY 23, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou loving, condescending God, we ask Thee to hear and accept our petition. Through Thy gracious providence Thou hast again smiled tenderly and gently upon us; we, therefore, offer Thee our tributes of praise. We seek Thy presence; do Thou enter our hearts as a rich grace, as a sweet benediction, and as a fadeless blossom. O make them the seat of Thy sovereignty. Show us the necessity of the divine purpose, and lighten up the way before us. Re-

newed, freshened, and cheered, let us turn again to our particular tasks. Springing from real, vital enthusiasm for our country, let this day mean success over all obstacles. May it abide as a living witness to the industrious and faithful labors of this Congress. Through Jesus Christ our Lord. Amen.

CALL OF THE HOUSE

Mr. LINTHICUM. Mr. Speaker, I make the point of order there is no quorum present.

The SPEAKER. Evidently there is no quorum present.

Mr. CRISP. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 83]

Abernethy	Corning	Johnson, III.	Peavey
Allgood	Coyle	Kendall	Rayburn
Boehne	De Priest	Kerr	Seiberling
Bohn	Drane	Lamneck	Shallenberger
Boylan	Flesinger	Lea	Sparks
Brand, Ohio	Foss	Lewis	Stokes
Cannon	Gibson	Mitchell	Strong, Kans.
Celler	Goodwin	Milligan	Tucker
Chapman	Hare	Murphy	Welsh, Pa.
Chase	Haugen	Oliver, Ala.	Yon
Collier	Hornor	Owen	

The SPEAKER. Three hundred and eighty-nine Members have answered to their names, a quorum.

Mr. CRISP. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

THE JOURNAL

The Journal of the proceedings of Saturday, May 21, 1932, was read and approved.

BEER TAX

Mr. O'CONNOR. Mr. Speaker, I call up motion No. 3 on the Calendar of Motions to Discharge Committees and move to discharge the Committee on Ways and Means from the further consideration of the bill (H. R. 10017) to provide additional revenue, and for other purposes.

Mr. BLANTON. I desire to make a point of order when the Clerk reports it, Mr. Speaker.

The SPEAKER. The gentleman from New York moves to discharge the Committee on Ways and Means from the further consideration of the bill H. R. 10017 and the gentleman from Texas makes a point of order. The gentleman will state it.

Mr. BLANTON. Mr. Speaker, I make the point of order that the motion to discharge the committee is in contravention of the House rule with respect to petitions to discharge a committee, and is also in contravention of a ruling made by the Speaker at the time the rule was under discussion and adopted, that no two bills embracing similar subjects shall be submitted to the House of Representatives at the same session of Congress under the discharge motion.

I submit, Mr. Speaker, this is a question which involves the eighteenth amendment to the Constitution of the United States, and we have already had that question up on a motion to discharge when the so-called Beck-Linthicum resolution was called up and passed upon adversely by the House, and that this is the second attempt to bring the same subject, involving the eighteenth amendment to the Constitution, before the House at the same session, and that this being in contravention of the rule, with regard to the Speaker's ruling on the rule, it is out of order.

Mr. O'CONNOR. Mr. Speaker, to the point of order permit me to say: With this question in mind when the rule was adopted, following what I said in the caucus when the gentleman from Georgia, who introduced this rule, took the floor, I asked him a question—or he anticipated my asking the question—and he answered it, that a motion to discharge the committee from the consideration of the repeal or modification of the eighteenth amendment in his opinion was not substantially identical with a motion to discharge the committee from the consideration of an amendment to the Volstead Act, one being a constitutional question and the other being a mere matter of legislation.

The language in the rule is this:

Relating in substance to or dealing with the same subject matter.

For years, at different sessions of Congress, we have passed legislation dealing with amendments to the Volstead Act. That is quite different from an attempt to repeal or modify an amendment to the Constitution. I believe at the time of the adoption of the rule the Speaker had something to say about it. I did not anticipate this question was coming up, because I thought it was well settled.

Mr. Speaker, I submit there is no point in the point of order.

Mr. LAGUARDIA. Mr. Speaker, the question raised by the gentleman from Texas might have been raised if this motion to discharge had been pending on the calendar when the House voted on the previous motion to discharge.

Let me call the attention of the Speaker to the language of the proviso. In the first instance, the limitation is to the same bill. This, of course, concededly is not the same bill. The first was a resolution submitting to the several States a constitutional objection repealing the eighteenth amendment, and the bill now involved is a revenue measure, incidentally permitting the sale of beer. The fact that the resolution and the present bill were referred to two different committees would indicate different subject matters. Now, when we come to bills "substantially" the same, the limitation in the rule is applicable only when there is another motion to discharge pending and on the calendar.

The rule says:

That if before any one motion to discharge a committee has been acted upon by the House there are on the Calendar of Motions to Discharge Committees other motions to discharge committees from the consideration of bills or resolutions substantially the same, relating in substance to or dealing with the same subject matter, after the House shall have acted on one motion to discharge, the remaining said motions shall be stricken from the Calendar on Motions to Discharge Committees and not acted on during the remainder of that session of Congress.

Therefore it will be seen that the limitation is where there are two or more motions to discharge on the calendar. The other limitation refers to motions to discharge the same bill. For instance, if after the House had voted down the motion to discharge the Committee on the Judiciary from further consideration of a constitutional amendment to repeal the eighteenth amendment, we were now called upon to again vote on a proposed constitutional amendment to repeal the eighteenth amendment, differently worded, then the point of order raised by the gentleman from Texas [Mr. BLANTON] would be in order; but the limitation as to similar subjects is where you have two motions to discharge on the calendar at the same time, and, therefore, the point of order is not well taken.

Mr. BLANTON. Mr. Speaker, I desire to be heard on the point of order a moment, if the Chair will permit.

The SPEAKER. The Chair will hear the gentleman from Texas.

Mr. BLANTON. The gentleman from New York, Mr. Speaker, is too good a lawyer not to realize that if this motion had any chance to pass—and it does not have any—or if it could pass, this very question would be brought before the Supreme Court on a question of constitutionality, in that it contravenes the provisions of the eighteenth amendment which provides that there shall not be manufactured or sold in the United States any intoxicating beverages.

Mr. STAFFORD. Mr. Speaker, I make the point of order that the gentleman is not discussing his point of order.

Mr. SABATH. Will the gentleman yield?

Mr. BLANTON (continuing). To this extent, the gentleman from New York and other lawyers here know that the constitutionality of the provisions of the measure is involved, and there has been before us already one other discharge petition relating to the eighteenth amendment.

Mr. O'CONNOR. Mr. Speaker, I make the point of order the gentleman from Texas is not speaking to his point of order.

Mr. COCHRAN of Missouri. Mr. Speaker, I make the point of order the gentleman from Texas is not discussing the question before the House.

Mr. BLANTON. I am discussing my point of order, that under the rules only one such discharge petition is in order, and the House has already acted on the Beck-Lanthicum petition.

The SPEAKER. The Chair is ready to rule.

Mr. BLANTON. If the Chair is ready to rule, I shall not take further time of the House.

The SPEAKER. This identical question was brought up in the Democratic caucus at the time it passed on the amendments to the rules prepared by the gentleman from Georgia [Mr. CRISP]. This same question was asked the gentleman from Georgia [Mr. CRISP], and this particular case was used as an illustration in the Democratic caucus. When the House was considering the adoption of this particular rule the gentleman from Georgia again illustrated the situation by this identical case, and, according to the Chair's recollection, the gentleman said that in case a motion to discharge a committee from considering a bill authorizing 2 per cent beer was voted down, there could not be another motion for the purpose of voting on the question of 4 per cent beer, or even 1 per cent beer; but it was distinctly discussed and understood at the time that the question to amend the Constitution was one question and that the question of legalizing beer was another. The House has passed on the question of a constitutional amendment but has not passed on the question of whether or not the House would provide a different definition of legalized beer.

The Chair thinks it is clearly within the rule as intended by the gentleman from Georgia and as understood by the House; and unless the gentleman from Georgia gives the Chair the benefit of an opinion to the contrary, the Chair thinks there is no doubt but that he should overrule the point of order. The Chair would like to know if the Chair has properly interpreted the thought of the gentleman from Georgia at the time the gentleman presented this rule.

Mr. CRISP. Mr. Speaker, for years I have advocated rules putting it within the power of a majority of the House to work its will, and as the author of this discharge rule I determined to make it an effective rule. The rule is effective, and in seeking to stop any filibuster there is a provision in the rule that after the House has voted on one substantive subject matter other motions to discharge can not be made dealing with that same subject matter. In my discussion of the matter on the floor of the House and in the caucus I frankly and honestly said I thought there was a difference between a motion to discharge a committee dealing with a constitutional amendment and a motion of the kind now before the House. I said that in my judgment it would be in order under the rule to have one vote to discharge on each of these distinctive, substantive matters, and when a vote had been had on each one of them no other vote during that session of Congress can be had. I think the rule means exactly this.

The SPEAKER. The Chair overrules the point of order.

The Clerk will report the bill by title.

The Clerk read the title of the bill.

The SPEAKER. The gentleman from New York [Mr. O'CONNOR] is recognized for 10 minutes and the gentleman from Georgia [Mr. CRISP] for 10 minutes.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that the bill H. R. 10017 may be read.

Mr. BLANTON. Mr. Speaker, I object. We know what it is.

Mr. O'CONNOR. Mr. Speaker, I yield one and a half minutes to the gentleman from Pennsylvania [Mr. BECK].

Mr. BECK. Mr. Speaker, when the rule under which we are now acting was under consideration at the beginning of this session, I ventured to call to the attention of my friend from Georgia [Mr. CRISP] the inadequacy of the rule for any careful debate or consideration of any motion that under that rule might be brought before the House. The two experiences we have had demonstrate the soundness of this objection.

It is preposterous that the repeal of a Constitutional amendment, or this important bill to modify the Volstead law and gain at least \$400,000,000 for the Treasury, should only be permitted 20 minutes of debate, and the country will so regard it. I only have time in my minute and a quarter, or whatever time I shall have, to say that what we are now proposing in this resolution does not involve any nullification of the Constitution, as my friend from Texas has argued. The first section of the eighteenth amendment was the statement of a great objective. The amendment was not self-enforcing. The method of that enforcement was committed by the amendment itself to the sound political discretion of Congress. Therefore—

[Here the gavel fell.]

Mr. BECK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

Mr. DYER. Mr. Speaker, I object for the present.

Mr. CRISP. Mr. Speaker, the Ways and Means Committee is not sensitive in the slightest as to the way it performs its public duty. The Ways and Means Committee is actuated with but one purpose, to report legislation or to kill legislation, according to the judgment of the committee as to what is best for the country. We are not objecting in the slightest to this motion to discharge the committee from the further consideration of this bill, the beer bill.

It was foolish for the committee to have hearings on this bill when the committee was working every day on matters of the highest public importance, because it knew the sentiment of the committee as to this legislation, it knew the sentiment of the House as to this legislation, and knew that a vote on it now was nothing but a moot question for the purpose of letting the Members go on record, and as far as that is concerned I think our constituents have the right to know how we stand on this question.

Now, what are the facts concerning the bill before the committee? When we were considering the tax bill my friend from New York [Mr. CULLEN] offered an amendment levying a tax on beer. The committee voted on it, and, if my recollection is correct, there were 7 votes in the affirmative and 16 in the negative. That expressed the view of the Ways and Means Committee on this problem.

When the tax bill was up for consideration in the House we had an extensive debate on it. This very question was debated—not for 20 minutes but for several hours—and, of course, in the Committee of the Whole House on the state of the Union there is no record vote. After discussion in the committee, we had a vote by tellers. That occurred on the 25th of March, and those voting in favor of taxing beer totaled 132 and those voting against it totaled 216. So, I repeat, gentlemen, that so far as this motion is concerned it is simply a moot question. Everybody in the House knows just as well now as they will know at the conclusion of the roll call as to what the result is going to be.

Now, my distinguished friend from Pennsylvania [Mr. Beck] referred to the limited time allowed for debate, and when I was advocating the discharge rule, he called attention to it, and asked that the time be extended. I could not see it that way. This is a drastic motion. It is only expected to be used in dealing with recalcitrant committees, or committees that will not report legislation. It simply can not be used unless it gets 145 Members of the House desiring to go on record to see if they will take it away from the committee. Twenty minutes gives everybody in the House an opportunity to know whether they desire to discharge the committee and bring up the bill for consideration.

If you can get 145 men to sign a motion to discharge, everybody knows in substance what the bill is, and if the majority of the House desires to consider the legislation, and vote to discharge the committee, then the bill comes up in the House for consideration under the rules of the House, with ad libitum debate. If the House wants to debate it, the House can debate it as long as it pleases. It is open to amendment.

Mr. JOHNSON of Texas. If the gentleman from Georgia will yield, the Senate has voted 3 to 1 against this proposition.

Mr. CRISP. The Ways and Means Committee, by a majority of that committee, in my judgment, will not bring in a bill proposing to levy a tax on beer, as long as the eighteenth amendment is in the Constitution, and as long as the Volstead Act is on the statute books—

Mr. SCHAFER. Will the gentleman yield?

Mr. CRISP. No; I have only three minutes. The Ways and Means Committee has no jurisdiction of the Volstead Act.

That is before the Committee on the Judiciary; and if that committee reports a bill repealing the Volstead Act and the Congress passes it, that will be time enough for the Committee on Ways and Means to consider the question of whether it will levy a tax on beer. Some very able lawyers contend that 2.75 per cent beer would violate the eighteenth amendment of the Constitution and some declare not. The question as to whether or not beer if drunk to excess will produce intoxication is a judicial question. The courts would have to determine that. Oh, I grant you that the Volstead Act says that more than one-half of 1 per cent violates it. Maybe you could have a higher per cent, but the question of whether 2.75 per cent violates the Constitution is a serious one, and the Ways and Means Committee, speaking for a majority of them, will not report this bill favorably. If a majority of the House desires to consider it, their remedy is to vote to-day to discharge the committee and take it away from that committee and then consider it in the House under just as liberal terms as to debate and amendment as it sees fit.

I reserve the remainder of my time.

Mr. O'CONNOR. Mr. Speaker, I yield one minute to the gentleman from Illinois [Mr. BRITTEN].

Mr. BRITTEN. Mr. Speaker, the lady from New York [Mrs. PRATT] a few moments ago endeavored, unsuccessfully, to have inserted in the RECORD a copy of a letter from President Hoover, which is being carried this morning in practically every big newspaper in the United States and in which the President appeals more or less directly to Congress for constructive legislation which will be of benefit to the Federal Treasury and at the same time assist in balancing the Budget. He opposes appropriations which will not in themselves produce revenue in return. He opposes the \$5,000,000 Federal-building construction bond issue, because he says it will place an added burden upon the taxpayer, who is already gasping for relief. The so-called beer bill about to be voted upon is the only measure now pending before Congress, which will produce \$500,000,000 in new revenues, it will tax an important industry into active business, it will provide large additional revenues for the railroads, it will stimulate trade in several hundred specific directions, it will promote an outlet for millions of bushels of grain for which the American farmer is now seeking a customer, it will provide immediate employment to several hundred thousand people and last, but not least, Mr. Speaker, it will make those untold millions of American citizens, who are ready and willing to pay for a good glass of beer, happy. I simply can not understand the mental attitude of a man who will deliberately refuse to accept this tremendous revenue at a time when his Government is increasing income taxes, inheritance and gift taxes, to say nothing of a lot of nuisance taxes now carried in the revenue bill pending before the Senate. I shall vote for a tax on beer.

Mr. O'CONNOR. Mr. Speaker, I yield one minute to the gentleman from Maryland [Mr. LINTHICUM].

Mr. LINTHICUM. Mr. Speaker, we have the opportunity to-day of doing something for the people of our country. This bill, H. R. 10017, comes within the provisions of the Constitution because it provides for 2.75 per cent beer, which is known to be nonintoxicating and therefore within the Constitution. Ample provision is made throughout the bill for the protection of those States which desire to continue dry, and it even goes further and provides for the protection

of any political subdivision of any State. It has a particularly good feature in that it proposes to raise a tax of \$500,000,000 from people who are willing to pay the tax, and that is a great phenomenon.

You are trying to balance the Budget, and you are placing heavy taxes upon people to do so—people who are already heavily burdened and whose income and profits have been reduced almost to the invisible point. If you enact this bill it will enable Congress to remove all these nuisance taxes, to retain 2-cent postage, and to strike from the list much of the increase on incomes and corporation taxes. If there ever was an opportunity for Congress to do the right thing it is to-day by the passage of this bill. Wherever an election has been held, wherever a referendum has been referred to the people, the people themselves have said that they want the eighteenth amendment repealed and they want the manufacture of beer made possible.

You have prohibition on the books, but you have prohibition, in fact, nowhere in this country. There are to-day thousands of speak-easies spread throughout the land. You have no regulation of the liquor traffic, whereas if you repeal the eighteenth amendment you can devise methods for the control of liquor. You have tried this "noble experiment" for 12 years, have arrested 700,000 people in trying to enforce it, and have convicted 500,000. You have crowded the jails to overflowing and are now busily providing for more jails. You have collected \$60,000,000 in fines, and something like \$231,000,000 in property have been seized or confiscated. A revenue of \$10,984,000,000 has been lost to the Government, and yet the drink bill has aggregated \$28,000,000,000. The whole country has been thrown into disorder, immorality established, the criminal class financed and abetted.

We must turn back to the old days. We must grant more liberty to the people. We must again provide the great revenue which we have lost, and the passage of this bill for the legalized manufacture and taxing of beer will do much for the country, will injure no one, will drive out bootleggers, racketeers, and criminals to a most alarming extent, and will place a tax on people who are willing to pay it.

What this country needs is a smile on the faces of the people; and if we can pass this bill we will restore that smile, which in itself will do so much toward prosperity and success. I sincerely trust the Congress will not turn down this great opportunity.

Mr. O'CONNOR. Mr. Speaker, I yield one minute to the gentleman from New York [Mr. LaGUARDIA].

Mr. LaGUARDIA. Mr. Speaker, there has been considerable lip service rendered during the present session of Congress toward balancing the Budget. The motion to discharge the committee and for the House to consider the beer tax bill presents an opportunity of either permitting the Internal Revenue Department of the Government to collect taxes on beer or to continue to permit the racketeers to do it. Now is the time for every Member of the House by his vote to balance the Budget. Either vote for this motion and the bill and balance the Budget or forever after hold your peace. [Applause.]

Mr. O'CONNOR. Mr. Speaker, I yield one-half minute to the gentleman from Massachusetts [Mr. GRANFIELD].

Mr. GRANFIELD. Mr. Speaker, I trust the House will adopt the discharge motion and permit the O'Connor bill to be considered on its merits.

This bill writes into the Volstead Act a sane, sensible, and honest definition of intoxicating beverage, and is a substitute for the present dishonest legal limit of one-half of 1 per cent, which has been aptly characterized as a legislative lie. It will open up a large source of revenue and replenish an impoverished Federal Treasury at a time when the taxpayers of this country are indignantly demanding relief from excessive tax burdens. It will divert millions of dollars into the channels of legitimate business when a stimulant to industry, commerce, and business is indispensable to the welfare of the Nation. It will supply much

needed unemployment relief. The country demands straightforward action on this bill.

Mr. O'CONNOR. Mr. Speaker, I yield one-half minute to the gentleman from Ohio [Mr. WHITE].

Mr. WHITE. Mr. Speaker, this is not a question of whether or not we will have beer. It is a question of whether or not beer shall be brought into the open, where it can be made to contribute to the revenues of the Government. It is also a question of whether or not the express and known will of a large part of this country shall be heard by this House or suppressed until it becomes explosive.

Mr. O'CONNOR. Mr. Speaker, I yield one minute to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, the adoption of this bill will give immediate employment to at least 200,000 directly and 500,000 indirectly of the vast army of the unemployed and will start the wheels of commerce turning again. It will raise a revenue from \$300,000,000 to \$500,000,000 annually and aid in balancing the Budget. It will aid in restoring law and order. It will aid the farmer of this country by utilizing millions of bushels of barley, rye, and malt now rotting in the grain elevators. It will increase the acreage of these commodities and reduce that of wheat and corn. It will not only help the railroad companies by increasing freight, but it will help all business. But, above all, it will allay the resentment and discontent.

Since the vote has been taken in the other Chamber many of those voting against this bill have heard in no uncertain terms from their States.

Do not remain deaf to the demands of 72 per cent of the American citizens. Give the people the nourishing beverage they demand. This will aid them to secure needed food. It is not my appeal but the appeal of 90 per cent of the American wage earners. You can not appease them by a referendum, as the prohibitionists and the Republican leaders propose, but by action. Please remember, gentlemen, people demand action and relief.

Mr. O'CONNOR. Mr. Speaker, I yield one minute to that distinguished gentleman from Nebraska [Mr. HOWARD]. [Applause.]

Mr. HOWARD. Mr. Speaker, the question before the House in the moment is not whether we shall have thin beer or fat beer. I prefer the fat kind. The question now is whether or not this matter shall be submitted to the House for serious consideration by the representatives of the people who have appealed to the Congress in that behalf. I hope the bill will be taken away from the Committee on Ways and Means, and that the House will have a chance to consider it on its merits.

Mr. O'CONNOR. Mr. Speaker, I yield one-quarter minute to the gentleman from Michigan [Mr. McLEOD].

Mr. McLEOD. Mr. Speaker, the time has arrived for Members of Congress to start thinking in terms for the good of the Nation and disregard the recommendations and erroneous views of a well-meaning but mistaken minority.

The long-disregarded and pigeonholed prohibition question will no longer brook delay; it has become a mighty issue which transcends party. It has come to pass that the future prosperity and well-being of our country depend in a great measure upon immediate modification of the prohibition law. Legalizing the manufacture and sale of nonintoxicating beer containing 2.75 per cent of alcohol by weight will provide immediate employment for hundreds of thousands. Sixty-five thousand men were employed by breweries alone, but the total engaged in making, handling, and selling their products was over 300,000 persons. Our farms will find a market for 120,000,000 bushels of grain annually. The consumption of sugar will be increased by 64,000,000 pounds a year.

At present, thousands of coal mines are closed and thousands upon thousands of miners destitute. The United States census reports show that the brewing industry annually used approximately 3,000,000 tons of coal, or three and one-half times as much as the packers, six times as much as the printers and publishers, nine times as much as the

manufacturers of boots and shoes and twenty-five times as much as the manufacturers of men's clothing.

In addition to these 3,000,000 tons of coal, the breweries annually used a million and a half tons of foodstuffs, and including 9,000,000 tons of their own products, they required railroad and team transportation for thirteen and a half million tons, of which over one-half was hauled by railroads. This requires over 200,000 freight cars during a year and keeps several hundred locomotives in constant operation. The urgent need of our financially embarrassed railroads for this business is too obvious and well known for me to stress. I might also mention that the large portion of this tonnage formerly requiring team transportation would now prove an inestimable boon to the trucking industry.

With estimates placing the total number of unemployed in our country at anywhere from six to ten millions, there is a crying need for the Government to discharge its imperative obligation to provide work for these poverty-stricken and destitute people, who, in many cases, are wholly dependent upon public-welfare agencies for even the barest necessities of life. Every day that goes by sees our unemployed increase in number, while the distress and misery among our people is beyond description. The resources of our relief agencies are already heavily overtaxed, and on every side we begin to hear grave doubts and misgivings voiced as to their ability to cope with the unemployment problem next winter. If we do not face the situation squarely and act without further procrastination, there is every indication that we may expect the most disastrous consequences before the coming winter has drawn to a close.

In the past 12 years prohibition has cost the United States approximately \$11,000,000,000 in lost revenue. In addition to this staggering sum, \$370,000,000 has been squandered in ineffectual attempts at enforcement. The loss of this vast revenue is shortly to be most forcibly brought home to us. Because of it we will have to pay 3 cents postage on our letters instead of 2 cents; among many other nuisance taxes, we will be taxed on our movie tickets, bank checks, stock transfers, automobiles, and radios. The situation might aptly be described by saying that the United States voluntarily has abandoned the greatest fiscal source of revenue of virtually every country in the world, at tremendous cost, without receiving in return a single one of the moral and social benefits for which the measure was enacted.

Far from having decreased since the advent of prohibition, crime has increased by leaps and bounds to an unparalleled degree. During the period from January, 1920, to July 30, 1931, arrests for violations of the prohibition law reached the startling total of 681,657. This means that the United States Government has been busy incarcerating its citizens at the rate of about a thousand a week ever since the inauguration of prohibition.

The growth and expansion of bootlegging and other criminal activities has been most noticeable in our larger cities, where it has become a matter of the gravest concern. Street warfare between rival gangs, settling their beer-running feuds by machine-gun fire in crowded streets, killing and maiming with cold-blooded indifference the innocent passers-by who happen to be in the line of fire when the shooting begins, has become a matter of frequent occurrence.

Statistics show that before prohibition yearly arrests for drunkenness averaged 8,553; since prohibition this average has increased to 13,166. In 1910 there were 2,909 deaths from alcohol; in 1929 there were 4,339. Does that look like the people were having any difficulty in obtaining intoxicating liquor? It most assuredly does not, but it does indicate a great lowering of quality in the liquor consumed.

To our everlasting shame, we have the obnoxious prohibition law to thank for the corruption and racketeering practices that made it possible for the most notorious gangster of the age to escape the penalty of his numerous crimes and remain at liberty until tripped up by the Federal Government for failure to pay taxes on his unlawfully acquired wealth. We owe it to the fair name of American justice to make such conditions no longer possible.

In a scathing denunciation of the prohibition law, Commissioner Loesch, of the Wickersham Commission, on pages 31 and 149 of the Wickersham report, said:

In some parts of the country enormous sums of money are derived from the business of illicit beer. The profits from illicit beer are the strength of gangs and corrupt political organizations in many places. Those organizations of murderers and archcriminals can only be destroyed when their bootleg-liquor profits are taken from them. So long as the eighteenth amendment remains in its present rigid form, the Nation, the States, the municipalities, the individual citizen, are helpless to get out of reach of their poisonous breaths and slimy tentacles.

We all have among our friends and acquaintances earnest and sincere individuals, who seem to possess a beclouded faculty of perception. Regardless of the fact that the foundation stones of their castle have crumbled and the edifice has become a mere heap of debris, they refuse to admit the structure no longer stands. Our great American author and essayist, Ralph Waldo Emerson, once said:

A foolish consistency is the hobgoblin of little minds, adored by little statesmen and philosophers and divines. With consistency a great soul has simply nothing to do. He may as well concern himself with his shadow on the wall.

After 12 costly years of attempted enforcement, during which we, to our sorrow, have seen a steady increase in bootlegging, drunkenness, deaths from alcoholism, racketeering, and gang warfare, culminating in our present depression, it can not but help be plain to its past supporters that instead of fulfilling their noble and praiseworthy aims, prohibition has multiplied a thousandfold the very evils they strove by its enactment to suppress, and that the only way out of our present dilemma is immediate modification.

The enactment of the bill which is before this honorable body to-day will, by taxing beer 3 cents a pint, yield an annual revenue to the Federal Government of a full half billion dollars, place a hardship on nobody, and at once relieve industries and private citizens from existing and additional tax burdens. It will be well for us to bear in mind that the disagreeable nuisance taxes now being contemplated will bring in a yield of only two hundred and forty millions. The bill makes impossible the return of the old saloon by limiting the sale of beer to bottles, thereby doing away with the necessity for a bar with its apparatus for drawing the beer from kegs or barrels. No beer may be sold for consumption on the premises or in the building where the sale takes place, except with meals in a regularly established dining room of a hotel or restaurant.

The bill further provides that no ex-convict can obtain a license to sell the beer or keep an ex-convict in his employ. The incorporation of these provisions in the bill removes all logical and valid objections to its passage.

In the midst of the worst economic depression the world has ever known, shall we help prolong the misery and suffering among our people and retard our return to normalcy by clinging to prohibition when it is clearly shown that modification will provide employment to hundreds of thousands, give the vitally needed stimulus to industry, provide a half billion dollars annually in revenue, materially assist in balancing the Budget, make nuisance taxes unnecessary, at one sweep clean up crime in our cities by cutting off at its source the easily obtained wealth which enables gangsters and racketeers to carry on their nefarious activities, when modification will promote true temperance by making available good, wholesome, and nonintoxicating beer to people who now have no choice but to do without entirely or drink the harmful and in many instances poisonous hard liquors supplied in abundance by the thousands of untaxed bootleggers and speak-easies that thrive throughout the entire country?

Let us rather follow the clear and unmistakable path of duty which leads by way of modification to true temperance, law observance, and morality.

Let us rather rid ourselves of this prolific source of crime and corruption, this costly experiment that has proved such a ghastly and ignoble failure, and awake to the fact that the time has long since passed for us passively to submit to the domination of a mistaken and fanatical minority. In clos-

ing I most strenuously urge that you, my colleagues, regardless of your views in the past, to-day unite in abolishing this evil that is undermining the very foundations of our Nation. By voting for this beer bill you may rest assured that you have taken the first great step forward in paving the way to our speedy economic recovery.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. McLEOD. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. O'CONNOR. Mr. Speaker, I yield one-half minute to the gentleman from New York [Mr. BLACK].

Mr. BLACK. Mr. Speaker, the Democratic delegation from New York, under the leadership of the gentleman from New York [Mr. CULLEN], will, of course, vote wet. Our party is the wet party in the State of New York. We fought the adoption of the eighteenth amendment, and through all the days of dry terrorism, the Democratic Party in New York has fought for the people and liberalism.

Mr. Speaker, I yield back the balance of my time. [Laughter and applause.]

Mr. CRISP. Mr. Speaker, I yield one and one-half minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, the great agnostic, Robert Ingersoll, said:

I believe that from the time alcohol issues from the coiled and poisonous worm in the distillery until it empties into the hell of death, dishonor, and crime it demoralizes everything that touches it from its source to its end.

No one can contemplate the object without prejudice against the liquor crime. All we have to do is to think of the wrecks on either banks of the stream of death, of the suicides, of the insanity, of the poverty, of the ignorance, of the destitution, of the little children tugging at the faded and withered breasts of weeping and despairing mothers, of the wives asking for bread, of the men of genius it has wrecked, and man struggling with imaginary serpents. I believe every thoughtful man is prejudiced against this damned stuff that is called alcohol.

It cuts down youth in its vigor, manhood in its strength, and age in its weakness. It breaks the father's heart, bereaves the doting mother, extinguishes natural affections, erases conjugal love, blots out filial attachments, blights parental hope, and brings down mourning age in sorrow to the grave. Alcohol produces weakness, not strength; sickness, not health; death, not life. It makes wives widows, children orphans, fathers fiends, and all of them paupers and beggars. It feeds rheumatism, nurses gout, invites cholera, imparts pestilence, and embraces consumption.

Alcohol covers the land with idleness, misery, and crime. It fills our jails, almshouses, and asylums. It engenders controversy, fosters quarrel, and cherishes riots. It crowds our penitentiaries and furnishes victims for the scaffold. It is the lifeblood of the gambler, the element of the burglar, the prop of the highwayman, and the support of the midnight incendiary.

It countenances the liar, respects the thief, esteems the blasphemous. It violates obligations, reverences fraud, and honors infamy. It defames benevolence, hates love, scorns virtue, slanders innocence.

Alcohol incites the father to butcher his helpless offspring, helps the husband to massacre his wife, and the children to grind the parricidal ax. It burns up man, consumes women, detests life, curses God, and despises heaven. It suborns witnesses, nurses perjury, defiles the jury box, and stains the judicial ermine. It degrades the citizen, debases the legislature, dishonors the statesman, and disarms the patriot.

Alcohol brings shame, not honor; terror, not safety; despair, not hope; misery, not happiness—and with the malevolence of a fiend it calmly surveys its frightful desolation and, unsatisfied with havoc, it poisons felicity, kills peace, ruins morals, blights confidence, slays reputations, and wipes out national honor—then curses the world and laughs at its ruin.

Alcohol does all that and more—it murders the soul. It is the sum of all villainies, the father of all crimes, the mother of abominations, the devil's best friend, and God's worst enemy.

Mr. Speaker, to-day it is sought to bring this alcohol curse back upon the Nation. I am against it. We must defeat it.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. GOSS. Mr. Speaker, I object.

Mr. O'CONNOR. Mr. Speaker, I yield one-quarter minute to the gentleman from Michigan [Mr. CLANCY].

Mr. CLANCY. Mr. Speaker, newspapers carried reports to-day that the Anti-Saloon League has indorsed Franklin D. Roosevelt for President through Deets Pickett. They also carry the story that certain alleged spokesmen for the Republican Party are proposing a resubmission plank which is dry, although these spokesmen claim it is wet. The wets will stand for neither one of these double-crossing movements. Real wets, both Republicans and Democrats, oppose straddling, trimming, and trading.

The alleged wet Republican plank is drier than the resubmission plank proposed by former Governor Byrd, of Virginia, and Bishop Cannon, because the former advocates that a State can not go wet until two-thirds of the State legislature has adopted a wet resolution, after which the question may be submitted to popular vote in the State. The joker in this tricky plank is revealed by the fact that, as Governor Byrd says, many State legislatures are controlled by the rural element of the State, and the rural element is practically always dry.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. O'CONNOR. Mr. Speaker, I yield one and one-half minutes to the gentleman from Illinois [Mr. WILLIAM E. HULL].

Mr. WILLIAM E. HULL. Mr. Speaker, as coauthor of this bill I wish to speak particularly to the farming interest that is represented on this floor. If this bill is passed providing for 2.75 per cent beer by weight, which is nonintoxicating, it will create a market to the farmers of the sale of 120,000,000 bushels of grain per year. It will bring into the United States Treasury \$500,000,000 per year in revenue. It will disqualify the bootlegger and it will save this country from the present debauch which it is in.

The Members who represent the farming interest in this country should see that the legislation that has taken place in the past is driving our farm products to foreign countries. I estimate that 200,000,000 bushels of American grains have been displaced by tropically raised products in manufacturing soft drinks, whereas all American grain was used in the manufacture of beer. Forty million bushels of grain is now substituted for Cuban blackstrap molasses to manufacture the alcohol, and the starch made from corn will soon be driven from the Atlantic coast along with the distilleries in favor of tapioca imported from Java.

When that is done, what hope is there to be held out to the farmer if he is denied a chance to sell his grain to the brewing industry? Then the last peg will be pulled, and the farmer will remain under this terrible depression. Pass this bill and you will aid the farmer and you will loosen the grip that crime has on Uncle Sam's throat. [Applause.]

Mr. O'CONNOR. Mr. Speaker, in view of the fact that I have given away practically all the time I had, I ask unanimous consent to revise and extend my remarks.

Mr. BLANTON. Mr. Speaker, reserving the right to object, if the gentleman will ask that privilege for all his colleagues, I shall not object, but surely everyone has equal rights here.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that all Members have the right to revise and extend their remarks.

Mr. UNDERHILL. Mr. Speaker, I object.

Mr. O'CONNOR. Mr. Speaker, I renew my first request, to revise and extend my own remarks.

Mr. BLANTON. Mr. Speaker, I shall not object to any Member extending his own remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. DYER. Mr. Speaker, I object.

Mr. O'CONNOR. Mr. Speaker, in the time left it will be obviously impossible to discuss the bill carefully. This is the first chance we have had to vote on modifying the Volstead Act and also raise \$500,000,000 of revenue.

What we are asking is a chance to consider the bill in the House. We asked the Ways and Means Committee if they would consider it. To-day the chairman of that committee says the Judiciary Committee has jurisdiction of amending the Volstead Act. I notice, though, that the Ways and

Means Committee took jurisdiction of the birth control act. [Laughter.]

We heard the gentleman from Texas read on the floor today statements of Robert Ingersoll. I am reliably informed, Mr. Speaker, that the most beautiful and most eloquent tribute ever given to corn whisky was pronounced by the same Robert Ingersoll. [Laughter and applause.]

Now, Mr. Speaker, all we ask is a chance to vote on this measure.

About a month ago the distinguished Speaker himself took the floor and made a plea to the Members who loved their country to stand up. To-day I again call on you who are interested in the finances of the country, who want to raise revenue, balance the Budget, and relieve unemployment to stand up now and cast your votes for the motion so we may lay the bill before the House for consideration. [Applause.]

[Here the gavel fell.]

The SPEAKER. The question is, Shall the Committee on Ways and Means be discharged from further consideration of the bill H. R. 10017?

Mr. CRISP. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 169, nays 228, answered "present" 1, not voting 34, as follows:

[Roll No. 84]
YEAS—169

Aldrich	Cullen	Igoe	Pettengill
Amie	Curry	Jacobsen	Pittenger
Andresen	Darrow	James	Prall
Andrew, Mass.	Delaney	Johnson, S. Dak.	Pratt, Ruth
Andrews, N. Y.	De Priest	Kading	Ransley
Arentz	DeRouen	Kahn	Reilly
Arnold	Dickstein	Karch	Rogers, N. H.
Auf der Heide	Dieterich	Kelly, Ill.	Rudd
Bacharach	Douglas, Ariz.	Kemp	Sabath
Bachmann	Douglass, Mass.	Kennedy	Schaefer
Bacon	Doutrich	Kleberg	Schneider
Baldrige	Drewry	Knutson	Schultz
Beam	Dyer	Kunz	Seger
Beck	Eaton, N. J.	Kvale	Shannon
Black	Englebright	LaGuardia	Sirovich
Bloom	Erk	Larrabee	Somers, N. Y.
Bolleau	Estep	Lehlbach	Spence
Boland	Evans, Mont.	Lewis	Stafford
Bolton	Fernandez	Lichtenwalner	Stewart
Britten	Fish	Lindsay	Stokes
Brumm	Fitzpatrick	Linthicum	Sullivan, N. Y.
Brummer	Foss	Loneragan	Sullivan, Pa.
Buchanan	Freeman	Loofbourov	Sutphin
Burdick	Gambrill	McCormack	Sweeney
Campbell, Pa.	Gavagan	McLeod	Tierney
Canfield	Gifford	McMillan	Tilson
Carley	Golder	Maas	Tinkham
Carter, Calif.	Goss	Major	Treadway
Carter, Wyo.	Granfield	Maloney	Turpin
Caviochia	Griffin	Mansfield	Watson
Celler	Griswold	Martin, Mass.	Welch, Calif.
Chavez	Haines	Martin, Oreg.	White
Chindblom	Hancock, N. Y.	May	Whitley
Clancy	Hancock, N. C.	Mead	Wigglesworth
Cochran, Mo.	Harlan	Millard	Williams, Mo.
Cole, Md.	Hart	Montet	Withrow
Condon	Hartley	Niedringhaus	Wolcott
Connery	Hess	Norton, N. J.	Wolfenden
Connolly	Hollister	O'Connor	Wolverton
Cooke	Holmes	Oliver, N. Y.	Wood, Ind.
Crosser	Horr	Overton	
Crowe	Howard	Palmisano	
Crump	Hull, William E.	Person	

NAYS—228

Adkins	Campbell, Iowa	Dickinson	Gasque
Allen	Carden	Dies	Gibson
Almon	Cartwright	Disney	Gilbert
Ayres	Cary	Dominick	Gilchrist
Bankhead	Chipperfield	Doughton	Gillen
Barbour	Christgau	Dowell	Glover
Barton	Christopherson	Doxey	Goldsbrough
Beedy	Clark, N. C.	Driver	Green
Bland	Clarke, N. Y.	Eaton, Colo.	Greenwood
Blanton	Cochran, Pa.	Elzey	Gregory
Bowman	Cole, Iowa	Eslick	Guyer
Brand, Ga.	Collins	Evans, Calif.	Hadley
Brand, Ohio	Colton	Finley	Hall, Ill.
Briggs	Cooper, Ohio	Fishburne	Hall, Miss.
Browning	Cooper, Tenn.	Flannagan	Hall, N. Dak.
Buckbee	Cox	Frear	Hardy
Bulwinkle	Crall	Free	Hastings
Burch	Crisp	French	Haugen
Burtness	Cross	Fulbright	Hawley
Busby	Crowther	Fuller	Hill, Ala.
Butler	Culkin	Fulmer	Hill, Wash.
Byrns	Dallinger	Garber	Hoch
Cable	Davis	Garrett	Hogg, Ind.

Hogg, W. Va.	Ludlow	Pou	Sumners, Tex.
Holaday	McClintock, Ohio	Pratt, Harcourt J.	Swank
Hooper	McDuffie	Purnell	Swanson
Hope	McFadden	Ragon	Swick
Hopkins	McGugin	Rainey	Swing
Hornor	McKeown	Ramseyer	Taber
Houston, Del.	McLaughlin	Ramspeck	Tarver
Huddleston	McReynolds	Rankin	Taylor, Colo.
Hull, Morton D.	McSwain	Reed, N. Y.	Taylor, Tenn.
Jeffers	Magrady	Reid, Ill.	Temple
Jenkins	Manlove	Rich	Thatcher
Johnson, Ill.	Mapes	Robinson	Thomason
Johnson, Mo.	Michener	Rogers, Mass.	Thurston
Johnson, Okla.	Miller	Romjue	Timberlake
Johnson, Tex.	Mobley	Sanders, N. Y.	Underhill
Johnson, Wash.	Montague	Sanders, Tex.	Underwood
Jones	Moore, Ky.	Sandlin	Vinson, Ga.
Keller	Moore, Ohio	Selvig	Vinson, Ky.
Kelly, Pa.	Morehead	Shott	Warren
Ketcham	Mouser	Simmons	Wason
Kinzer	Nelson, Me.	Sinclair	Weaver
Kniffin	Nelson, Mo.	Smith, Idaho	Weeks
Kopp	Nelson, Wis.	Smith, Va.	West
Kurtz	Nolan	Smith, W. Va.	Whittington
Lambertson	Norton, Nebr.	Snell	Williams, Tex.
Lambeth	Parker, Ga.	Snow	Williamson
Lanham	Parker, N. Y.	Sparks	Wilson
Lankford, Ga.	Parks	Stalker	Wingo
Lankford, Va.	Parsons	Steagall	Wood, Ga.
Larsen	Partridge	Stevenson	Woodruff
Leavitt	Patman	Strong, Kans.	Woodrum
Lovette	Patterson	Strong, Pa.	Wright
Lozier	Perkins	Stull	Wyant
Luce	Polk	Summers, Wash.	Yates

ANSWERED "PRESENT"—1

Clague

NOT VOTING—34

Abernethy	Corning	Lamneck	Rayburn
Allgood	Coyle	Lea	Seiberling
Boehne	Davenport	McClintic, Okla.	Shallenberger
Bohn	Drane	Mitchell	Shreve
Boylan	Fiesinger	Milligan	Tucker
Cannon	Goodwin	Murphy	Welsh, Pa.
Chapman	Hare	Oliver, Ala.	Yon
Chase	Kendall	Owen	
Collier	Kerr	Peavey	

So the motion was rejected.

The Clerk announced the following pairs:

Mr. Boylan (for) with Mr. Allgood (against).
Mr. Corning (for) with Mr. Davenport (against).
Mr. Coyle (for) with Mr. Rayburn (against).
Mr. Fiesinger (for) with Mr. Goodwin (against).
Mr. Boehne (for) with Mr. Kerr (against).
Mr. Tucker (for) with Mr. Shallenberger (against).
Mr. Lamneck (for) with Mr. Milligan (against).
Mr. Peavey (for) with Mr. Hare (against).
Mr. Lea (for) with Mr. Chapman (against).

General pairs:

Mr. McClintic of Oklahoma with Mr. Clague.
Mr. Oliver of Alabama with Mr. Shreve.
Mrs. Owen with Mr. Bohn.
Mr. Drane with Mr. Kendall.
Mr. Collier with Mr. Murphy.
Mr. Cannon with Mr. Seiberling.
Mr. Abernethy with Mr. Chase.
Mr. Yon with Mr. Welsh of Pennsylvania.

Mr. BANKHEAD. Mr. Speaker, my colleague the gentleman from Alabama [Mr. OLIVER] is unavoidably absent on official business. If he were present, he would vote "no."

Mr. ROMJUE. Mr. Speaker, my colleague the gentleman from Missouri [Mr. MILLIGAN] is unavoidably absent. Were he present, he would vote "no."

Mr. VINSON of Kentucky. Mr. Speaker, my colleague the gentleman from Kentucky [Mr. CHAPMAN] is unavoidably absent on account of illness. If he were present, he would vote "no."

Mr. CULLEN. Mr. Speaker, my colleague the gentleman from New York [Mr. BOYLAN] is confined in a hospital in New York seriously ill. If present, he would vote "yea."

Mr. O'CONNOR. Mr. Speaker, the gentleman from California [Mr. LEA] authorized me to state that he is unavoidably absent on account of illness; that if he were present, he would vote "yea."

Mr. MOUSER. Mr. Speaker, my colleague the gentleman from Ohio [Mr. MURPHY] is unavoidably absent on account of illness. If present, he would vote "no."

Mr. CLAGUE. Mr. Speaker, I am recorded as voting "no." I have a general pair with the gentleman from Oklahoma [Mr. McCLINTIC]. I therefore withdraw my pair and answer present.

Mr. PETTENGILL. Mr. Speaker, my colleague the gentleman from Indiana [Mr. BOEHNE] is unavoidably absent. If he were present, he would vote "yea."

Mr. BLACK. Mr. Speaker, my colleague the gentleman from New York [Mr. CORNING] is unavoidably absent. Had he been present, he would have voted "yea."

The result of the vote was announced as above recorded.

On motion of Mr. CRISP, a motion to reconsider the vote by which the motion was rejected was laid on the table.

Mr. WILLIAM E. HULL. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection?

Mr. DYER. Mr. Speaker, I object.

PRINTING OF ADDITIONAL HEARINGS OF THE COMMITTEE ON
BANKING AND CURRENCY

Mr. STEVENSON. Mr. Speaker, I present a privileged resolution from the Committee on Printing.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House Resolution 232

Resolved, That in accordance with paragraph 3 of section 2 of the printing act approved March 1, 1907, the Committee on Banking and Currency of the House of Representatives be, and is hereby, empowered to have printed 1,000 additional copies of Part 1 of the hearings held before said committee during the current session on the bill (H. R. 10517) entitled "For increasing and stabilizing the price level of commodities, and for other purposes."

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. STEVENSON. Yes.

Mr. COCHRAN of Missouri. Do these hearings relate to the Goldsborough bill?

Mr. STEVENSON. Yes.

Mr. COCHRAN of Missouri. That bill is behind us.

Mr. STEVENSON. But the demand for these hearings from the country is very great. The Committee on Printing felt it was justified in allowing them to have 1,000 additional copies.

Mr. COCHRAN of Missouri. Is the country trying to find out what the bill means?

Mr. STEVENSON. I am not prepared to say what the country is trying to do, but they have this large demand for them.

Mr. HARDY. Will the gentleman yield?

Mr. STEVENSON. Yes.

Mr. HARDY. What will it cost to print these additional copies?

Mr. STEVENSON. Three hundred and sixty dollars.

The resolution was agreed to.

DISTRIBUTION OF DOCUMENTS IN HOUSE FOLDING ROOM

Mr. STEVENSON. Mr. Speaker, I ask unanimous consent to proceed for five minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. STEVENSON. Mr. Speaker, I have a report from the superintendent of the folding room to the effect that there are over 1,000,000 documents there which should be disposed of for this reason: The folding room will be moved into the new folding room of the new House Office Building. These documents have been accumulating for 30 years. Many of them are absolutely useless, while many of them are of value. I have prepared a resolution and a list of the documents, which I will put in the Record as a part of my remarks, with a view to calling it up sometime during the week. This action will be in accordance with the action taken in 1910, when the folding room was last cleared out.

Mr. SNELL. Will the gentleman yield?

Mr. STEVENSON. Yes.

Mr. SNELL. As I understand, the gentleman is making this statement for the information of the House and later on he will present his resolution?

Mr. STEVENSON. Yes. I am inserting the resolution and the list in the Record in order that the Members may know what is there and what it is proposed to do with the documents.

Mr. PITTENGER. Will the gentleman yield?

Mr. STEVENSON. Yes.

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Mr. PITTENGER. The committee proposes that Members who want to use these documents, we will say agricultural yearbooks two or three years old, for example, will have some way of getting them?

Mr. STEVENSON. Yes. The proposition is that they are there now to the credit of the Members. The purpose is to do what was done in 1910. Members will have 30 days' notice of the documents which they have to their credit. After the 30 days have expired a list will be submitted to Members by the Doorkeeper, and then the Members generally will have the right to go to the folding room and take what is left, after the Members have had 30 days in which to draw out the documents they have there to their credit. Then what is left, after the Members generally have had 30 days in which to get from the remaining supply what they need or what they desire, will go to the departments. The departments will have 10 days in which to decide whether they desire any of those left, and after that those that are left will be disposed of as waste paper.

Mr. PITTENGER. I just wanted to make certain that Members are informed and that the people in the folding room carry out these instructions.

[Here the gavel fell.]

Mr. STEVENSON. Mr. Speaker, I ask unanimous consent to proceed for two additional minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. STEVENSON. In order that the gentleman may be satisfied as to what is to be done I am putting in the Record a list of the documents that are there. The gentleman will find from that list that there are 615,000 Agricultural Yearbooks, running from 1906 up to the present time, and other things of that kind. It is the intention to make those documents available to Members of this Congress, and we are asking the Members to take them away from the folding room before the folding room is moved to the new Office Building.

Mr. KELLER. Will the gentleman yield?

Mr. STEVENSON. Yes.

Mr. KELLER. Are they to be distributed according to districts?

Mr. STEVENSON. They are now there to the credit of different districts, and every man who represents a district will have so many of these to his credit.

Mr. SABATH. Will the gentleman yield?

Mr. STEVENSON. Yes.

Mr. SABATH. Does that include maps as well as cattle and horse books?

Mr. STEVENSON. It includes all that is in the folding room and the folding room only. The gentleman can get full information from the list which I will put in the Record, along with this proposed resolution. I will say to the gentleman that it does not include horse and cattle books.

Mr. SNELL. How long shall we have to take these documents out of the folding room?

Mr. STEVENSON. Thirty days after the passage of this resolution. They will be asked to take those documents which are to their credit out of the folding room within 30 days. If they do not take them all, then the Members generally will have 30 days in which to get what they want, and at the expiration of that time the department will have 10 days in which to take what they want, after which the remaining documents will be disposed of as waste paper.

[Here the gavel fell.]

Mr. STEVENSON. Mr. Speaker, I ask unanimous consent to insert this proposed resolution and list in the Record as a part of my remarks.

The SPEAKER. Is there objection?

There was no objection.

The resolution and list referred to follow:

Resolved, That the documents now in the folding room of the House of Representatives, described in the list hereafter set forth under the heading "List of documents," shall be disposed of in the following manner:

First. Members, Delegates, Commissioners from Puerto Rico and the Philippine Islands, and officers of the House having such documents to their credit may dispose of the same in the usual

manner at any time within 30 days from the date of the adoption of this resolution by the House.

Second. Upon the expiration of the said 30 days, the Doorkeeper shall furnish to the Members of the House, as promptly as practicable, a list of the documents herein referred to then remaining in the folding room to his credit, and thereupon such documents shall be subject to the order of such Member or Delegate in the order in which they are applied for, for the period of 30 days after the day when such list shall be furnished by the Doorkeeper.

Third. The Doorkeeper shall furnish a list of all such documents remaining in the folding room at the expiration of the last-named period to the various departments and commissions of the Government at Washington, including the Superintendent of Documents, Smithsonian Institution, Library of Congress, Bureau of American Republics, and the Commissioners of the District of Columbia, and any such documents shall be turned over to any such department, commission, etc., above referred to, in the order in which their application shall be made, and all such documents which shall remain in the folding room for a period of 10 days after such list shall have been furnished to the departments or commissions aforesaid shall be sold by the Doorkeeper as waste paper.

Fourth. No documents which are described in the list aforesaid shall thereafter be returned to the folding room from any source.

List of documents in the folding room, House of Representatives, May 15, 1932

Agriculture Yearbooks, 1906 to 1930, inclusive.....	615,000
Attorney General annual reports, 1920 to 1930, inclusive.....	4,700
Civil Service Commission, annual reports, 1920 to 1930, inclusive.....	6,500
Comptroller of the Currency, annual reports, 1919 to 1929, inclusive.....	7,000
Congressional Directory, Seventieth and Seventy-first Congresses.....	17,000
Commissioner of Education annual reports, 1920 to 1930, inclusive.....	22,000
Eulogies on deceased Members (all).....	187,000
Secretary of the Treasury, on finance, annual reports, 1917 to 1929, inclusive.....	6,500
Geological Survey, annual reports, 1921 to 1930, inclusive.....	7,900
Interstate Commerce Commission, annual reports, 1920 to 1930, inclusive.....	6,400
Session Laws of Congress, Sixty-fourth to Seventieth Congresses, inclusive.....	19,200
Manual and Digest, House of Representatives, Sixty-fourth to Seventy-first Congresses, inclusive.....	3,200
Mineral Resources, 1919 to 1927, inclusive.....	13,700
National Museum, annual reports, 1905 to 1930, inclusive.....	7,100
Navy Department, annual reports, 1917 to 1928, inclusive.....	7,200
Post Office Department, annual reports, 1920 to 1930, inclusive.....	5,800
President's annual message, Sixty-seventh to Seventy-first Congress, inclusive.....	39,000
CONGRESSIONAL RECORDS, Sixty-second to Seventieth Congresses, inclusive (sets).....	17,000
Statistical Abstract, annual reports, 1920 to 1930, inclusive.....	15,100
Statutes, Proceedings on acceptance of.....	38,000
Weather Bureau, annual reports, 1920 to 1930, inclusive.....	5,200

Total number of documents..... 1,050,500

J. M. McKee,

Foreman Folding Room, House of Representatives.

A LETTER OF THE PRESIDENT OF THE UNITED STATES

Mrs. PRATT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein a letter from the President of the United States to Mr. Herbert S. Crocker, president of the American Society of Civil Engineers.

THE SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mrs. PRATT. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter:

MAY 21, 1932.

HERBERT S. CROCKER,

President American Society of Civil Engineers,

New York, N. Y.

MY DEAR MR. CROCKER: I am in receipt of your kind letter of May 19, and I have also the presentation of the subcommittee of the society suggesting that the depression can be broken by a large issue of Federal Government bonds to finance a new program of huge expansion of "public works" construction, in addition to the already large programs now provided for in the current budgets. The same proposals have been made from other quarters and have been given serious consideration during the past few days.

The back of the depression can not be broken by any single Government undertaking. That can only be done with the co-operation of business, banking, industry, and agriculture in conjunction with the Government. The aid the Government may give includes: (a) The quick, honest balancing of the Federal Budget through drastic reduction of less necessary expenses and the minimum increase in taxes; (b) the avoidance of issue of further Treasury securities as the very keystone of national and international confidence, upon which all employment rests; (c) the continuation of the work of the Reconstruction Corporation, which has overcome the financial strain on thousands of small banks, releasing credit to their communities, the strengthening of building and loan associations, the furnishing of credit to agriculture, the protection of trustee institutions, and the support of financial stability of the railways; (d) the expansion of credit by the Federal reserve banks; (e) the organized translation of these credits into actualities for business and public bodies; (f) unceasing effort at sound strengthening of the foundations of agriculture; (g) the continuation of such public works in aid to unemployment as does not place a strain on the taxpayer and do not necessitate Government borrowing; (h) continuation of national, community, and individual efforts in relief of distress; (i) the introduction of the 5-day week in Government, which would save the discharge of 100,000 employees and would add 30,000 to the present list; (j) the passage of the home loan discount bank legislation, which would protect home owners from foreclosure and would furnish millions of dollars of employment in home improvement without cost to the Treasury; (k) financial aid by means of loans from the Reconstruction Corporation to such States as, due to the long strain, are unable to continue to finance distress relief; (l) the extension of the authority of the Reconstruction Corporation not only in a particular to which I called attention last December—that is, loans on sound security to industry where they would sustain and expand employment—but also in view of the further contraction of credit to increase its authority to expand the issue of its own securities up to \$3,000,000,000 for the purpose of organized aid to "income-producing" works throughout the Nation, both of public and private character.

1. The vice in that segment of the proposals made by your society and others for further expansion of public works is that they include public works of remote usefulness; they impose unbearable burdens upon the taxpayer; they unbalance the Budget and demoralize Government credit. A larger and far more effective relief to unemployment at this stage can be secured by increased aid to income-producing works. I wish to emphasize this distinction between what for purposes of this discussion we may term "income-producing works" (also referred to as "self-liquidating works") on the one hand and nonproductive public works on the other. By income-producing works I mean such projects of States, counties, and other subdivisions as waterworks, toll bridges, toll tunnels, docks, and any other such activities which charge for their service and whose earning capacity provides a return upon the investment.

With the return of normal times the bonds of such official bodies based upon such projects can be disposed of to the investing public and thus make the intervention of the Reconstruction Corporation purely an emergency activity. I include in this class aid to established industry where it would sustain and increase employment with the safeguard that loans for these purposes should be made on sound security, and the proprietors of such industries should provide a portion of the capital. Nonproductive public works in the sense of the term here used include public buildings, highways, streets, river and harbor improvement, military and navy construction, etc., which bring no direct income and comparatively little relief to unemployment.

2. I can perhaps make this distinction clear by citing the example of the recent action of the Reconstruction Finance Corporation in the matter of the Pennsylvania Railroad Co. on one hand and the recent bill passed by the House of Representatives for increased road building on the other. The railroad company applied to the Reconstruction Corporation for a loan of \$55,000,000 to help finance a fund of over \$68,000,000 needed to electrify certain of its lines. By so doing it would employ directly and indirectly for one year more than 28,000 men distributed over 20 different States. An arrangement was concluded by which the Reconstruction Corporation undertook to stand behind the plan to the extent of \$27,000,000, the railway company finding the balance. This \$27,000,000 is to be loaned on sound securities and will be returned, capital and interest, to the corporation. The Reconstruction Corporation is acting as agent to make available otherwise timid capital for the Pennsylvania Railroad in providing employment. There is no charge upon the taxpayer. On the other hand, the proposal of the House of Representatives is to spend \$132,000,000 for subsidies to the States for construction of highways. This would be a direct charge on the taxpayer. The total number of men to be directly employed is estimated at 35,000 and indirectly 20,000 more.

In other words, by this action we would give employment to only 55,000 men at the expense by the Government of \$132,000,000, which will never be recovered. In the one instance we recover the money advanced through the Reconstruction Corporation, we issue no Government bonds, we have no charge on the taxpayer. In the other instance we have not only a direct cost to the taxpayer but also a continuing maintenance charge, and furthermore, the highways in many sections have now been expanded beyond immediate public need.

3. These proposals of huge expansion of "public works" have a vital relation to balancing the Federal Budget and to the stabiliz-

ing of national credit. The financing of "income-producing works" by the Reconstruction Corporation is an investment operation, requires no congressional appropriation, does not unbalance the Budget, is not a drain upon the Treasury, does not involve the direct issue of Government bonds, does not involve added burdens upon the taxpayer either now or in the future. It is an emergency operation which will liquidate itself with the return of the investor to the money markets.

The proposal to build nonproductive "public works" of the category I have described necessitates making increased appropriations by the Congress. These appropriations must be financed by immediate increased taxation or by the issuance of Government bonds. Whatever the method employed, they are inescapably a burden upon the taxpayer. If such a course is adopted beyond the amounts already provided in the Budget now before Congress for the next fiscal year, it will upset all possibility of balancing the Budget; it will destroy confidence in Government securities and make for the instability of the Government which in result will deprive more people of employment than will be gained.

4. I have for many years advocated the speeding up of public works in times of depression as an aid to business and unemployment. That has been done upon a huge scale and is proceeding at as great a pace as fiscal stability will warrant. All branches of government—Federal, State, and municipal—have greatly expanded their "public works" and have now reached a stage where they have anticipated the need for many such works for a long time to come. Therefore the new projects which might be undertaken are of even more remote usefulness. From January, 1930, to July 1, 1932, the Federal Government will have expended \$1,500,000,000 on "public works."

The Budget for the next fiscal year carries a further \$575,000,000 of such expenditures (compared with about \$250,000,000 normal) and includes all the items I have felt are justified by sound engineering and sound finance. Thus by the end of next year the Federal Government will have expended over \$2,000,000,000 on public works, which represents an increase over normal of perhaps \$1,200,000,000. Thus we have largely anticipated the future and have rendered further expansion beyond our present program of very remote usefulness and certainly not justified for some time to come, even were there no fiscal difficulties. They represent building of a community beyond its necessities. We can not thus squander ourselves into prosperity.

5. A still further and overriding reason for not undertaking such program of further expansions of Federal "public works" is evident if we examine the individual projects which might be undertaken from an engineering and economic point of view. The Federal "public works" now authorized by law cover works which it was intended to construct over a long term of years and embrace several projects which were not of immediate public usefulness. In any event, the total of such authorized projects still incomplete on the 1st of July will amount to perhaps \$1,300,000,000. If we deduct from this at once the budgeted program for the next fiscal year—\$575,000,000—we leave roughly \$725,000,000 of such authorized works which would be open for action. If we examine these projects in detail, we find great deductions must be made from this sum. Construction of many projects physically require years for completion, such as naval vessels, buildings, canalization of rivers, etc., and therefore as an engineering necessity this sum could only be expended over four or five years; a portion of the projects not already started will require legal and technical preparation and therefore could not be brought to the point of employment of labor during the next year; a portion of these authorized projects are outside continental United States and do not contribute to the solution of our problem; a portion are in localities where there is little unemployment; a portion are in the District of Columbia where we already have a large increase in program for the next fiscal year and where no additional work could be justified.

A portion are of remote utility and are not justified, such as extension of agricultural acreage at the present time. Deducting all these cases from the actual list of authorized Federal public works, it will be found that there is less than \$100,000,000 (and this is doubtful) which could be expended during the next fiscal year beyond the program in the Budget. That means the employment of, say, less than 40,000 men. Thus the whole of these grandiose contentions of possible expansion of Federal "public works" fall absolutely to the ground for these reasons if there were no other.

If it is contemplated that we legislate more authorizations of new and unconsidered projects by Congress, we shall find ourselves confronted by a logrolling process which will include dredging of mud creeks, building of unwarranted post offices, unprofitable irrigation projects, duplicate highways, and a score of other unjustifiable activities.

6. There is still another phase of this matter to which I would like to call attention. Employment in "public works" is largely transitory. It does not have a follow-up of continued employment, as is the case with "income-producing works." But of even more importance than this, the program I have proposed gives people employment in all parts of the country in their normal jobs under normal conditions at the normal place of abode, tends to reestablish normal processes in business and industry, and will do so on a much larger scale than the projects proposed in the so-called public-works program.

7. To sum up, it is generally agreed that the balancing of the Federal Budget and unimpaired national credit is indispensable to the restoration of confidence and to the very start of economic

recovery. The administration and Congress have pledged themselves to this end. A public-works program such as is suggested by your committee and by others, through the issuance of Federal bonds, creates at once an enormous further deficit.

What is needed is the return of confidence and a capital market through which credit will flow in the thousand rills with its result of employment and increased prices. That confidence will be only destroyed by action in these directions. These channels will continue clogged by fears if we continue attempts to issue large amounts of Government bonds for purposes of nonproductive works.

Such a program as these huge Federal loans for "public works" is a fearful price to pay in putting a few thousand men temporarily at work and dismissing many more thousands of others from their present employment. There is vivid proof of this since these proposals of public works financed by Government bonds were seriously advanced a few days ago. Since then United States Government bonds have shown marked weakness on the mere threat. And it is followed at once by a curtailment of the ability of States, municipalities, and industry to issue bonds and thus a curtailment of activities which translate themselves into decreased employment.

It will serve no good purpose and will fool no one to try to cover appearances by resorting to a so-called extraordinary Budget. That device is well known. It brought the governments of certain foreign countries to the brink of financial disaster. It means a breach of faith to holders of all Government securities, an unsound financial program, and a severe blow to returning confidence and further contraction of economic activities in the country.

What you want and what I want is to restore normal employment. I am confident that if the program I have proposed to the Congress is expeditiously completed and we have the cooperation of the whole community, we will attain the objective for which we have been searching so long.

Yours faithfully,

HERBERT HOOVER.

REREFERENCE OF A BILL

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that the bill (S. 660), a claims bill erroneously referred to the Committee on Indian Affairs, be rereferred to the Committee on Claims.

The SPEAKER. Has the gentleman consulted the chairman of the Committee on Claims?

Mr. HOWARD. He has.

The SPEAKER. Is it agreeable to the chairman of that committee?

Mr. HOWARD. It is.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

ECONOMY LEGISLATION IN THE HOUSE

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes on a matter that I think the House will be interested in.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BYRNS. Mr. Speaker, the leading editorial headed *Defense Against Pork*, which was published in the *Washington Post* on yesterday, grossly misrepresents the accomplishments of the House of Representatives during this session. The opening paragraph reads as follows:

Virtually every effort the House has made toward economy at the present session has turned out to be a fiasco. The latest example is the War Department appropriation bill. As sent to the Senate, this measure carries only one substantial cut in expenditures, and that strikes at the very heart of national security.

That is not only a very reckless statement, but there is not one line of truth in it. Everyone knows, of course, that the *Washington Post* is an intensely partisan paper and that it seldom sees anything of value in what a Democrat either proposes or accomplishes. However, I am not going to accuse the writer of that editorial of intentionally misrepresenting the House or seeking to lend aid to the evident movement which is under way to magnify the Executive and at the same time to depreciate and raise opposition to the legislative branch of the Government. Such a movement has been under way for several weeks, and ever since the President sent his message to Congress in which he plainly endeavored to cast blame, not only upon the Democrats but the Republicans in Congress for any failure to reduce expenditures.

I am not going to comment upon this unpatriotic propaganda which is being spread over the country. I am willing that both the executive and legislative branches shall have due credit for everything they seek to accomplish, and those who would seek to unjustly destroy the confidence of the people in either one are doing a distinct disservice to the country.

The writer of the editorial evidently does not read the CONGRESSIONAL RECORD, nor is he even faintly familiar with what has been going on in Congress, for he shows the greatest ignorance throughout the editorial. He says that "every effort the House has made toward economy at the present session has turned out to be a fiasco." He ignores the fact that the only real economy which has been put into effect at this session up to this time has been done by the House of Representatives. The Committee on Appropriations has reduced the estimates of the President more than \$161,000,000; and I have repeatedly declared that this is a distinct saving, since there will be no necessity for deficiencies to cover these reductions. Mark you, this was reduction under what the President asked, and it was only after the committee began to reduce his estimates that the President began to send in his messages urging reductions in the estimates which he had submitted two or three months before.

The House in every instance approved the recommendations of the committee except in the case of the War Department bill, where, in three instances, it added to the amount recommended sums aggregating nearly \$6,000,000. But in the meantime the House had approved further reductions made in the Interior Department bill amounting to over five million. So, after all the reductions actually made by the House up to this time have exceeded \$161,000,000 in the estimates submitted by the President.

In addition to this, the House passed the so-called economy bill, which is now pending in the Senate. While it was greatly reduced and changed in the House, nevertheless it made savings which some have estimated amount to \$42,000,000 in the way of reduction of salaries and other reductions and consolidations. When the tax bill was pending in the House, it was stated that if there were reductions amounting to \$200,000,000 the Budget would be balanced; and I submit that the House has already made reductions amounting to over \$200,000,000; and there are other reductions to come in the annual appropriation bills which are now pending in the Senate and also in the economy bill which is pending in that body.

I submit therefore that the writer of the editorial was far from the truth when he said that the House had made no progress toward economy.

He is also wide from the truth when he states that the War Department appropriation bill as it passed the House carried only one substantial cut in expenditures, evidently referring to the reduction in officer personnel from 12,000 to 10,000. Notwithstanding additions of nearly \$6,000,000 made on the floor of the House, the War Department appropriation bill carried a reduction of over \$18,000,000 as it left the House, and these reductions were made in the matter of supplies and other expenditures not relating to the personnel. The reduction in officer personnel saved only \$4,000,000. So you see that the writer of the editorial again evidences his ignorance of just what is going on up here on Capitol Hill.

The editorial further states:

The House Appropriations Committee slashed a considerable number of items, including training activities, the number of officers in active service, and the allowance to rivers and harbors. After a heated fight on the floor the House restored all the funds for training-camp activities and the development of rivers and harbors. But 2,000 officers, who are a vital part of the nucleus from which the machinery of national defense must be built in times of emergency, were cut off.

Every attempt to reduce the \$60,000,000 allotment for rivers and harbors was defeated. This is a pork-barrel appropriation. A substantial saving in this work might have been effected without sacrificing any national interest. But every Congressman feels an urge to demonstrate his ability to bring home the bacon just before a national election. Nothing is so certain to escape the economy knife as the pork barrel.

May I call your attention to the fact that the committee did not reduce the estimate for rivers and harbors, and, while there was a motion made to reduce it on the floor of the House, it was defeated by an overwhelming vote. That appropriation is in no sense a "pork-barrel" appropriation. The War Department asked for \$75,000,000 for the year 1933 and the Chief of Engineers stated that all of it was needed. The Budget, however, reduced the request of the department to \$60,000,000 and the Committee on Appropriations and the House allowed this sum and no more. If it was a "pork-barrel" appropriation, then the President and the Budget are as much responsible as the House.

I submit, however, that it can not possibly be so described. It is singular that the editorial should have taken this position in its desire to criticize the House of Representatives, when to-day propositions are pending providing for billions of dollars for construction work. How inconsistent it would have been to reduce this appropriation in the light of what may actually be done before Congress adjourns, when it is to be devoted purely to construction work and we all know that this kind of public work affords more employment in comparison with the money appropriated than any other sort of construction. Any reduction that might have been made in this appropriation would have been merely a "paper savings," and I am opposed to that kind of appropriations. Let me say, parenthetically, that I have observed that in the opinion of some Washington newspapers any appropriation that is made for construction outside the District of Columbia is "pork barrel." But if it is made for construction in the District of Columbia it is evidence of the wisest statesmanship. The editorial concludes with the statement:

When the welfare of the Nation is thus subordinated to sectional and political interests it is not surprising that the people lose faith in the House of Representatives as a responsible agency of Government in these critical times.

I wish to protest against what appears to be a concerted effort to minimize the accomplishments of the legislative branch of the Government and at the same time magnify the statesmanship of the executive for political purposes. Fortunately the people at large know more about what Congress is doing than the writer of this editorial, if this editorial is the measure of his knowledge of what is going on. No one can take exception to the printing of the facts. Neither can exception be taken to a newspaper of pronounced political leanings doing what it can to promote the interest of the party which it represents. But everyone ought to be fair, and particularly a great metropolitan newspaper which serves as a medium of information for members of both parties. The newspapers of the country have become the greatest influence in this country to-day, and this very fact should make responsible newspapers careful to use this influence in a fair and impartial way and not to distort the facts with a view of misleading their readers. Particularly is this true of editorials which are supposed to be educational and to influence those who read them. There is no higher calling than that of the editor of a great newspaper and he of all men should be careful to inform himself on every subject upon which he writes, so that he may not be subject to the charge of having misled those who read what he says with a degree of confidence.

Since the writer of this editorial evidently never reads the RECORD and pays no attention to what is being done in Congress, he will probably never read what I have said. But I wish to say that if he wishes to be entirely fair to the House of Representatives and its membership on both sides of the Chamber, he will write an editorial apologizing for the one which appeared on yesterday and give it the same degree of publicity.

It is not only due the House of Representatives and the thousands of readers of his paper, but it is due himself as a responsible editorial writer upon a great metropolitan newspaper. There is not one line of truth in the entire editorial, and a paper which permits itself to be used to disseminate false information to its thousands of subscribers can not hope to long maintain its great influence. [Applause.]

[Here the gavel fell.]

Mr. ESLICK. Mr. Speaker, I ask unanimous consent that the time of the gentleman be extended one minute so that I may ask him a question.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. ESLICK. The gentleman stated that the Army appropriation bill was reduced \$18,000,000 as it left the House. To make the statement clear, that is the reduction under the estimate of the Bureau of the Budget brought about by the recommendations of the Committee on Appropriations?

Mr. BYRNS. That is true.

NATURALIZATION

Mr. DICKSTEIN. Mr. Speaker, I call up conference report on the bill (H. R. 6477) to further amend the naturalization laws, and for other purposes, and ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. SNELL. What is it, Mr. Speaker?

The SPEAKER. The Chair understands this is a unanimous report, and the gentleman from New York is anxious to get it attended to to-day and has stated to the Chair it will only take a minute.

Mr. DICKSTEIN. It is a conference report, and the report is unanimous.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. DICKSTEIN]?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6477) to further amend the naturalization laws, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate and agree to the same, without amendment.

SAMUEL DICKSTEIN,
JNO. W. MOORE,
ALBERT JOHNSON,

Managers on the part of the House.

H. D. HATFIELD,
HIRAM W. JOHNSON,
WILLIAM H. KING,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill (H. R. 6477) to further amend the naturalization laws, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The only amendment by the Senate objected to by the House was section 8 as the bill passed the Senate.

Apparently, the objection by the House was based upon the premise that the enactment of this section 8 would incur considerable additional expense to compile statistics which belong to the Bureau of the Census.

The fact is that the compiling and reporting upon these statistics from the records in the custody of the Bureau of Naturalization were authorized and directed in section 10 of the act approved March 2, 1929 (45 Stat. 1516; U. S. C., Sup. V., 8, sec. 399 e). The purpose of section 8 is to require the completion and reporting of these statistics, as they relate to the 1910 census, before January 31, 1933; and, as they relate to the 1920 census, before December 31, 1933.

Relative to the incurrence of considerable additional expense—either in money, time, or use of personnel—there is submitted the following extract from a letter from the Secretary of Labor, Hon. William N. Doak, under date of May 10, 1932, which was considered by the conferees:

Your inquiries with respect to section 8 of this bill have been taken up with the Commissioner of Naturalization, who advises that more than the equivalent of the work has been performed that relates to the compilation required by January 31, 1933, and he believes the compilation covering the 1920 census can be completed without additional cost by December 31, 1933.

The main part of this work consists of assembling together the declarations, petitions, and certificates of citizenship in the respective cases, now representing over 3,000,000 certificates. This assembling work has been carried on for years, in order to effect a complete consolidation of the files of the bureau. This consolidation work is necessary to the economical handling of the tremendous volume of correspondence coming into the bureau and should continue gradually to be accomplished. The actual work of preparing a report upon the statistics that will be available upon the assembling of the papers is believed to be rather insignificant in the point of money, time, and personnel. The statement is made that from the present view of appropriation probabilities for 1933 there will be sufficient to carry on this work, and it is believed that no portion of the work that is now being carried on should be suspended, as the application of the personnel to the assembling of naturalization papers in the files is of distinct economic value.

The conferees further ascertained that authority to provide the tabulating and other equipment from the miscellaneous expense appropriation of the Bureau of Naturalization will necessitate the acquisition of such equipment without additional appropriations and will avoid the necessity for additional amounts to be provided in the appropriation for contingent expenses of the Department of Labor.

SAMUEL DICKSTEIN,
JNO. W. MOORE,
ALBERT JOHNSON,

Managers on the part of the House.

Mr. STAFFORD. The gentleman will recollect that it was amendment No. 8 that I raised objection to. I stated that I feared it would entail considerable expense to the Treasury if such work was undertaken. Has the gentleman made any inquiry what this compilation will cost?

Mr. DICKSTEIN. The Secretary of Labor, through his representative, assured the conferees there would be no added expense, not even a dollar, in the compilation of this work. They will not ask for any money, for none will be needed.

Mr. STAFFORD. They say they will not ask for additional money, and they believe the compilation covering the 1920 census can be completed without additional cost by December 31, 1933, but here the gentleman is asking for some new work in the compilation for censuses 1910, 1920, and 1930, predicated on the statement that the appropriations are sufficient. If the appropriations were not utilized for compilations, they would revert to the Treasury.

Mr. DICKSTEIN. The gentleman's objection to the whole bill was whether or not there was additional revenue required for the purposes of completing the statistics, and I assure the gentleman that it has been assured by the Secretary of Labor's representative that there will be no expense.

The conference report was agreed to.

OPENING AND CLOSING OF ROADS ON LANDS OWNED BY THE DISTRICT OF COLUMBIA AT OCCOQUAN, VA.

Mrs. NORTON. Mr. Speaker, I call up the bill (S. 1768) to provide for the opening and closing of roads within the boundaries of the District of Columbia workhouse property at Occoquan, Fairfax County, Va., and I ask unanimous consent that it be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the lady from New Jersey?

Mr. BLANTON. I object.

TO REGULATE SALE OF SECURITIES IN THE DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state

of the Union for the further consideration of the bill (H. R. 9065) to supervise and regulate the sale of securities within the District of Columbia.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. THOMASON in the chair.

The Clerk read the following committee amendment:

Page 3, line 18, after the word "duty," strike out the language "nor to any national bank or trust company organized under an act of the Congress and transacting business as a bank or trust company within the District of Columbia."

Mr. BLANTON. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, if we could secure from the District Committee a list of the various bills that are to be called up to-day, and the manner in which they are to be called up in their order, we could save a great deal of time, because those of us who have objections to certain bills could then be prepared to meet them without watching the entire calendar. I have tried to get from the committee the order in which they are to be called up, but it was refused. I suggest to the committee that if they would give us a list it would aid us and aid the committee.

Mrs. NORTON. Will the gentleman yield?

Mr. BLANTON. No; not now. I yielded to the lady once, and she was not quite courteous, and I learned not to yield to her.

My colleague from Texas [Mr. PATMAN], who is a Member of the District Committee, called attention to one very serious objection to this bill—that unless it is remedied the bill ought to be defeated. The general public is interested in it because under the language it is possible for some slick-tongued agent to sell them worthless securities in all of the States of the Union.

My colleague [Mr. PATMAN], a member of the committee, who has studied the bill carefully, called attention to the fact that if the bill is passed as it is written an agent who gets a license here can sell securities to everyone else except in the District of Columbia without having his securities investigated. In other words, in the sale of securities in 48 States there will be no restrictions placed on him whatever. After he once registers and gets his license he can go out and dupe our constituents in every one of the 48 States by selling them worthless securities. That ought to be remedied. The bill ought not to pass without being amended in that respect.

Mr. HARLAN. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. HARLAN. Does not the gentleman think that is a proposition to be governed by the laws of the different States? Obtaining a license to sell securities in the District of Columbia is not of itself a license to sell securities outside of the District of Columbia.

Mr. BLANTON. Oh, but my friend was not here evidently and did not hear the argument of my colleague [Mr. PATMAN]. If he had been here and listened to my colleague, as I did, with careful attention, and caught what he had to say about this bill, he would see that his constituents and mine could be duped. I get complaints practically every week from every direction where some credulous person who has not yet learned to watch and scrutinize the actions of people closely, who still believes that all people are honest, has been taken in and where his life's earnings have been wiped out in the purchase of securities not worth 5 cents. That is what I have in mind. I am not yet ready to swallow every bill that is sent over here from somewhere else. I am not yet ready to take it as a mocking bird as being the proper thing to swallow. I want to scrutinize it myself. Until that defect in the bill mentioned by the gentleman from Texas [Mr. PATMAN] is remedied, I am going to vote against the bill.

Mr. PATMAN. Mr. Chairman, I move to strike out the last word. I hope this bill will be defeated. It will probably hinder the enactment of good legislation if it is enacted into law. Its provisions are not sufficient to prevent

fraud. No one can claim that it will. If the bill is enacted, it will then be said that we have a law against the sale of fraudulent securities in the District of Columbia, and very little or no effort will be made to enact a real law with teeth in it. This is not a good bill. It will not protect the people if it is enacted into law. It will be harmful and detrimental to the people. It is not in the interest of the general welfare. It is against the interest of the general welfare.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. STAFFORD. In my home State we have a very good blue sky law relating to the scrutinizing of the character of securities that we permit to be sold in the State. As I recall, we have no law similar to this, which seeks to register the salesmen of these securities. As I view this, it is in line with the gentleman's statement and is more or less of a camouflage for the passage of a real blue sky law.

Mr. PATMAN. The gentleman is correct, and I thank him for his contribution. No State in America has enacted more good legislation for the benefit of the people than the State of Wisconsin. If I am not mistaken, this bill is sponsored by the Investment Bankers Association of America. I am not very much in sympathy with anything the investment bankers are in favor of right now just because they favor it, although I shall be glad to consider whatever they wish sympathetically.

When this bill was under consideration by the District Committee I had considerable correspondence, or perhaps we had better call it propaganda, from the Investment Bankers Association of America, wanting legislation of this character. If I am incorrect in that, I should be glad to be corrected, and if any one is present who says it is not sponsored by the Investment Bankers Association, I shall be glad to yield to him. I do not believe that Al Capone was the greatest racketeer in this Nation, although he was considered a great racketeer. I think some of our international bankers are the greatest racketeers in the Nation. I think more attention should be given to what they have done. They have flooded this country with worthless stocks and bonds, foreign securities, securities they knew were worthless when they permitted the people of the Nation to buy them. Anything in aid of the people who are really the greatest racketeers not only in America but in the whole world I certainly am not going to indorse. I do not accuse those who support this legislation of trying to help this class of people, but I do say that you should not insist on a bill here that has no teeth in it, that has no power on earth to stop the real evil, but will only stand in the way of enactment of good legislation. What does the bill do? They will even license people who have been to the penitentiary for committing the very offense which you propose to enact a law against.

Mr. BOWMAN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. BOWMAN. What character of bill does the gentleman suggest to protect the people of the District of Columbia?

Mr. PATMAN. We can discuss only the bill that is before us at this time. I hoped the gentleman would not insist on a bill that would permit the licensing of these men who have only recently been convicted of fraud in the District of Columbia when they return from the penitentiary. Under this bill they can be licensed again to sell securities here in the District of Columbia.

Mr. BOWMAN. After two years. Will the gentleman yield there?

Mr. PATMAN. Yes.

Mr. BOWMAN. If the gentleman objects to this bill because of this provision, I am perfectly willing to eliminate it.

Mr. PATMAN. I object not only to that, but the bill establishes a commission and permits them to employ any number of people at salaries that they fix, any number of experts they desire, and if you gentlemen believe in establishing new bureaus, new boards, new commissions, putting additional people on the pay roll, you should vote for the

bill. It is a bill to enforce a law and placing it in charge of the department of insurance in the District. They are not lawyers. They know nothing about enforcing the criminal law.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended for five minutes. I want to ask him some questions about this bill.

Mr. DYER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DYER. What is before the committee?

The CHAIRMAN. A motion to strike out the last word.

Mr. DYER. How far had the Clerk read?

The CHAIRMAN. The Clerk had read down to line 21 on page 3, the first section.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that the time of the gentleman be extended for one minute so I may ask a question about this bill.

Mr. DYER. Mr. Chairman, I shall not object; but after this I shall make the point, under the rule, to proceed in order.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. PALMISANO. Mr. Chairman, I dislike to interpose objection, even at the risk of a call of the House.

Mr. BLANTON. Does not the gentleman want us to find out something about this measure?

Mr. PALMISANO. It has been continuously objected to by the gentleman from Texas.

The CHAIRMAN. Does the gentleman from Maryland object?

Mr. PALMISANO. I object, Mr. Chairman.

Mr. BLANTON. Mr. Chairman, I think we ought to have a quorum. If we are going to start that kind of business, I shall make the point of no quorum. We are not going to pass this kind of measure without debate, I can tell the gentleman that. I make the point of no quorum, Mr. Chairman.

The CHAIRMAN (Mr. THOMASON). Evidently there is not a quorum present. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 85]

Abernethy	Crowther	Johnson, S. Dak.	Oliver, Ala.
Aldrich	Crump	Karch	Owen
Allgood	Culkin	Kelly, Pa.	Parker, N. Y.
Andrews, N. Y.	Davenport	Kendall	Peavey
Arentz	Dickinson	Kerr	Pratt, Mrs.
Beck	Disney	Lamneck	Rayburn
Bland	Douglas, Ariz.	Lea	Schafer
Boehne	Douglass, Mass.	Lewis	Selberling
Bohn	Doutrich	Linthicum	Shallenberger
Boylan	Drane	Loofbourow	Shannon
Brand, Ohio	Englebright	Lovette	Shreve
Britten	Flesinger	Ludlow	Smith, Idaho
Bulwinkle	Frear	McClintic, Okla.	Steagall
Cannon	Freeman	McFadden	Sullivan, Pa.
Chapman	Fulmer	McGugin	Taber
Chase	Gibson	McMillan	Thurston
Chavez	Gillen	McSwain	Treadway
Chipperfield	Golder	Maas	Tucker
Christopherson	Goodwin	Magrady	Underwood
Clarke, N. Y.	Hall, Miss.	Martin, Mass.	Watson
Collier	Hare	Martin, Oreg.	Welsh, Pa.
Cooke	Haugen	Mead	Williamson
Cooper, Ohio	Hawley	Mitchell	Withrow
Corning	Houston	Milligan	Wood, Ga.
Coyle	Hull, Morton D.	Murphy	Wood, Ind.
Crosser	Hull, William E.	Nelson, Wis.	Yon

The committee rose; and the Speaker having resumed the chair, Mr. THOMASON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having under consideration the bill H. R. 9065, and finding itself without a quorum, he had directed the Clerk to call the roll, when 328 Members answered to their names, a quorum, and he handed in a list of absentees for printing in the Journal.

The SPEAKER. The committee will resume its sittings.

Mrs. NORTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I regret very much that it was necessary to call the membership from their offices at this time. I

know how busy every Member of Congress is and how anxious we are to do the Nation's business. I am very sorry there seems to be a feeling in the House that the business of the District of Columbia is not the Nation's business.

Since I have been chairman of this committee we have had a great deal of trouble in bringing before the House legislation for the District of Columbia. It seems there are certain Members of the House who are insistent upon blocking everything that is for the benefit of the District. I appeal to the Members for their cooperation, and I say to you there is not a harder working committee in the House than the Committee on the District of Columbia. We work in that committee without any personal gain. It does not make a particle of difference to the people back home in our districts what we do for the District of Columbia; but since the people of the District have no vote, and since we are called upon to legislate for them, I certainly think the Members of the House ought to give us at least their cooperation. May I say, too, that a majority of the Members of the House have given us their cooperation. I do not think there is a better committee in the House than the Committee on the District of Columbia this year. I have nothing but praise for every member of that committee. They have given of their time and ability. When bills have been referred to subcommittees, they have responded and brought in bills to the general committee.

It is not possible for the chairman of the general committee to determine accurately every bill that is brought before this House. We then do the next best thing; call upon the Commissioners of the District of Columbia to give us their advice. We call upon the counsel of the District to advise us. It is the business of the District, and as such they should be more interested in it than in anything else. I believe they have given us, every time we have called upon them, their honest opinion of bills that have been introduced. A great many of those bills are introduced at the suggestion of the commissioners. The commissioners are responsible to the District of Columbia. Until the people of the District have a vote (and God knows I hope that day will be soon so that it will take away from us this responsibility which nobody seems to want) it is our responsibility. I appeal to you gentlemen to support us.

Ever since I have been chairman of this committee there seems to be a certain gentleman who has tried to block everything before the committee. I believe in calling a spade a spade, and I am going to mention names. I find that the gentleman from Texas is opposed to everything that is brought to the floor of this House. The gentleman does not come to me as man to man and say to me, "I object to this bill and I wish to change it." The gentleman comes on the floor and tries to filibuster all day; and because we will not stand for his filibustering, then he resorts to other means to try to break up this committee. If the gentleman from Texas is going to succeed in this, there is no use of my trying to continue as chairman of the committee. I am trying to do an honest job. It has given me a great deal of concern, and I have worked very hard to fulfill my contract with the people of the District.

Mr. PATMAN. Will the lady yield for a question?

Mrs. NORTON. Not just now. I will not yield until I have finished, and then the gentleman can say anything he wishes.

Mr. PATMAN. I would just like to ask which gentleman from Texas the lady is referring to?

Mrs. NORTON. I refer to the gentleman from Texas [Mr. BLANTON], of course. I supposed all the Members knew that. [Applause.] I did not think it was necessary to state his name. The gentleman from Texas comes to me smiling and says, "I want to help you," and then we bring in our bills.

Does he help? I will ask any of you if you have ever thought he has given me any help? I say he has given me no help, and I say it right to his face. The last day the District Committee had the floor, when I happened to call attention to the fact that he had consumed some two hours

of our day and spent a great deal of the Nation's money—for every single page of the CONGRESSIONAL RECORD costs \$60—he did not like it very much.

[Here the gavel fell.]

Mrs. NORTON. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

Mr. BLANTON. Mr. Chairman, reserving the right to object, I believe in giving a lady Member the same right as any other Member, and I shall not object.

The CHAIRMAN. Is there objection?

There was no objection.

Mrs. NORTON. Speaking of to-day's proceeding, we had a bill that seemed to be controversial. This bill, H. R. 9065, was the unfinished business of the last District day. The gentleman from Texas [Mr. PATMAN] objected to the bill. I have nothing to say against his wanting to amend the bill, or any Member of the House wanting to amend the bill, and make it more satisfactory. That is agreeable to the committee. We desire to have your opinion of the bill. We do not consider it a perfect bill. I have never seen a perfect bill. I do not know whether or not any other Member has. But I do think this is a good bill. If you have any doubt about it, I refer you to the report and the indorsements we have received. I am going to mention a few of them in case you have not a copy of the report.

First of all may I state we have held public hearings on the bill, and the bill has been supported by the District Commissioners, by the law and legislative committee of the District of Columbia Bankers' Association, by the law committee of the Washington Board of Trade, and by the committee counsel representing the Investment Bankers' Association of America. Surely they are not all crooks.

Amendments to the bill which clarify certain passages of the proposed legislation were considered by Mr. West, and assistant corporation counsel of the District of Columbia, and have also been approved by the District Commissioners at a public hearing held by the committee. The legislation was also indorsed by a number of prominent business men and residents of the District of Columbia, including such men as Mr. Robert V. Fleming, president of Riggs National Bank, Mr. Corcoran Thom, president of the American Security & Trust Co., Mr. Pope, acting president of the District of Columbia Bankers' Association, Mr. Sidney S. Taliaferro, vice president of the Riggs National, and a great many others. If you have a copy of the report, it will be unnecessary for me to go farther.

The only objection we know of was presented by Mr. O. H. Brinkman, an attorney who appeared before the committee.

In appearing on the Blaine bill Mr. Brinkman stated that he had been formerly employed by the insurance and banking subcommittee of the Committee on the District of Columbia of the Senate, and in that capacity he had prepared the draft of the Blaine bill (S. 3362). Mr. Brinkman favors the type of law which applies the license principle, which is the principle on which the Blaine bill is based.

May I say further that in reporting the bill out of the District of Columbia Committee the gentleman from Texas [Mr. PATMAN] was heard and received the right to amend the bill as he pleased in the committee. We had no objection.

Mr. PATMAN. Mr. Chairman, will the gentlewoman yield?

Mrs. NORTON. I shall be pleased to yield.

Mr. PATMAN. The lady wants to be fair, I know.

Mrs. NORTON. Absolutely fair.

Mr. PATMAN. Does the lady not recall I could not be present at the hearings and that I stated when the bill was brought before the committee that I could not be present but I would not object to the bill going to the floor? I also stated to the gentleman from West Virginia [Mr. BOWMAN] that he could report the bill out and I would reserve my objection until it got to the floor, but I wanted him to say in his report that I reserved the right to object to it on the floor.

I ask the gentleman from West Virginia [Mr. BOWMAN] now if that is not so, if I may be permitted?

Mr. BOWMAN. I made that statement in the report.

Mr. PATMAN. The lady is mistaken when she states I was at the hearings. I told her I was sorry that I could not be there, but that I did want to be heard when it came up for final passage. I said I felt the bill should be discussed fully in the House. It was 12 o'clock, as I recall, and the reading of the bill would have stopped it until the next week.

I do not think the lady should say I was present and had the privilege of offering amendments because she is mistaken.

Mrs. NORTON. Let me say to the gentleman from Texas the committee felt if the gentleman wanted to amend the bill, it was his privilege here on the floor; but why filibuster? The gentleman talked for one hour when the bill was before the House two weeks ago.

Mr. PATMAN. Will the gentlewoman yield further?

Mrs. NORTON. I shall be pleased to yield.

Mr. PATMAN. My talk on the bill has been confined to the bill. I expect to offer some amendments because I really do not think it is a good bill.

Mrs. NORTON. We will be pleased to hear the gentleman's amendments.

Mr. PATMAN. I have confined my talk to the bill.

Mrs. NORTON. The gentleman will recall that the last day the bill was before the committee the gentleman took over one-half hour—

Mr. PATMAN. Yes; I took an hour, and practically all of it was on the bill.

Mr. STAFFORD. Mr. Chairman, will the gentlewoman yield?

Mrs. NORTON. I yield.

Mr. STAFFORD. Was not this quorum call precipitated by the gentleman from Maryland [Mr. PALMISANO], a member of the committee, objecting to a reasonable request that the gentleman from Texas [Mr. PATMAN] be allowed to continue for an additional five minutes?

I tried to prevail upon the gentleman from Maryland to withdraw his objection so as to proceed orderly, but the gentleman in the performance of his privilege, did not. We could have avoided the quorum call had the gentleman from Maryland not objected to the 5-minute extension of time.

[Here the gavel fell.]

Mrs. NORTON. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. PATMAN. Will the lady yield?

Mrs. NORTON. Gladly.

Mr. PATMAN. May I suggest that although the gentleman from Maryland objected to my having 5 additional minutes, he permitted the lady to have 5 additional minutes and 3 more, and I am mighty glad he has.

Mrs. NORTON. This is the first time the lady from New Jersey, the chairman of the committee, has taken up any time of this House. I do not believe in taking up the time of the House on anything that is unnecessary, and any time I have addressed the House it has only been because I felt it absolutely a duty on my part to do so. [Applause.] If every Member of this House was as careful of the time consumed by this House as I am, we would have finished our legislation long ago and be ready to go home by the 10th of June. [Applause.]

Mr. PALMISANO. Will the lady yield?

Mrs. NORTON. Gladly.

Mr. PALMISANO. I want to say in reply to the gentleman from Wisconsin, with reference to the roll call, that it was not so much the five minutes that the gentleman from Texas [Mr. PATMAN] wanted as it was the action of the gentleman from Texas [Mr. BLANTON] and the way the gentleman from Texas [Mr. BLANTON] has been treating this committee since this House has been in session.

Mrs. NORTON. Of course, we all know that.

Mr. PALMISANO. This committee began to ask unanimous consent for the consideration of five bills which had to do with the closing of alleys in the District, bills passed by the Senate, and immediately the gentleman from Texas [Mr. BLANTON] began to object. It is for that reason that I wanted the House to know and the public to know about his actions. The gentleman from Texas has been doing that constantly. On the last District day he had two roll calls and then consumed one hour of the District's time. For that reason the gentleman from Maryland objected, not so much to the five minutes that the gentleman from Texas [Mr. PATMAN] wanted but because of the actions of the gentleman from Texas [Mr. BLANTON]. As a matter of fact, the gentleman from Texas [Mr. PATMAN] did not make the request. It was the gentleman from Texas [Mr. BLANTON], with his idea of filibustering. That was the only reason he asked for a roll call.

Mrs. NORTON. I think everybody in this House understands the motive behind the "no quorum" calls. It has been done continually, and we know why. I do not ask for any favors because I am a woman, as the gentleman from Texas always intimates. I am a Member of this House and have every privilege that any other Member has, and I intend to exercise that privilege. [Applause.] I want to say further that I regret very much that it was necessary to take the floor to make this explanation. Since I have been chairman of this committee this is the fourth day we have been on the floor, and we could have finished our business and made way for other Members who had important legislation to bring up for action. We do not want to take any undue portion of the time of the House in the consideration of District business, but it does seem that much of the time of the House is taken to appease the vanity of one particular man. [Applause.]

Mr. BLANTON. Mr. Chairman, I offer a preferential motion to strike out the enacting clause. Mr. Chairman, no catty remarks are going to keep me from doing my duty, but I do expect to answer some cat remarks from my friend from Maryland. I asked some questions about this bill. He did not want me to get the information from a member of his committee, Mr. PATMAN, and then I made a point of no quorum. I had a right to do it.

Mr. PALMISANO. Will the gentleman yield?

Mr. BLANTON. No; I will not yield.

Mr. PALMISANO. Of course not.

Mr. BLANTON. So understand that. I do object to his cat remarks. Now, this bill provides, on page 19, line 7, that "the Board of Commissioners of the District of Columbia may appoint and employ such additional assistants to the superintendent of insurance as may be necessary," without any limitations. They also are to fix the salaries.

Mr. HARLAN. Will the gentleman yield?

Mr. BLANTON. No; I will not yield.

They fix the number of employees and assistants and the salaries. Are you willing for them to do that? I am not.

I know something about this insurance department. Long before the lady from New Jersey [Mrs. NORTON] came here and long before the gentleman from Maryland [Mr. PALMISANO] came here I caused an investigation to be made of that insurance department, and I had the insurance commissioner removed for dishonesty and for improper dealings, Insurance Commissioner Miller. I had him removed. They now want to put in the hands of the new commissioner of insurance the right to specify the authority, duties, and designations of his assistants. They want to give him all possible power without any limitation or restriction. That is what I wanted to bring home to the gentleman from Maryland [Mr. PALMISANO], and he would not allow me to do it.

I have had the gentleman from West Virginia [Mr. BOWMAN], the author of this bill, fighting me; when I was after a commissioner himself, Commissioner Fenning, he blocked me at every turn of the road in the committee and every turn of the road on the floor. I had to have that man impeached and run out of office, as he resigned after my hear-

ing at the request of the President, in spite of the gentleman from West Virginia.

I am going to do my duty no matter how many catty remarks are made about me on the floor.

I want to say this, that every Member on this floor knows that two-thirds of the bills that have come from the District Committee in the last 20 years have been bad bills, and we have knocked the enacting clause out of many of them, and it ought to be knocked out of this bill. I know it will not be because there is a feeling here we have got to support our lady Member, and we are going to back her bills, so I know you will not knock out this enacting clause, but you ought to.

The criticism of this bill did not come from me. It came from my colleague [Mr. PATMAN], a member of this committee, "that you can take a convict who has been sent to the penitentiary for selling worthless securities and he can get a license under this bill, and he can go into your State and my State and every one of the 48 States, without any limitations or restrictions, and he can sell worthless securities to every one of the 120,000,000 people of the United States." That criticism was made by my colleague [Mr. PATMAN], a member of the District Committee, and I was warranted in asking him some questions so that all of us could thoroughly understand the bill before we voted for it. My request was reasonable. When the gentleman from Maryland refused to allow such questions to be asked, I was within my rights, and it became my duty to resort to the rules and parliamentary privileges given me, and I demanded that a quorum be present. And because I did this, I was criticized. It is my duty to the people of the United States to stop, if I can, the passage of bad bills like this, that seriously affect their interests.

Do you think I am going to let catty remarks keep me from telling you about bad bills?

Mr. BOWMAN. Will the gentleman yield?

Mr. BLANTON. I am sorry; I can not yield. Let them take care of themselves. I know how to take care of myself on this floor. [Laughter and applause.] I have been here a long time. If you gentlemen want this kind of a bill to pass, if you want to place this power in the hands of a commissioner of insurance, whose predecessor was removed for dishonesty and removed by my investigation, if you please, vote for the bill and let your constituents suffer.

[Here the gavel fell.]

Mr. HARLAN. Mr. Chairman, I rise in opposition to the motion to strike out the enacting clause.

It is with a great deal of regret that discussions of this kind come in on a bill of this character. I do not believe anyone would say that any one particular piece of legislation could be considered absolutely perfect, but, nevertheless, this is an effort to do something along this line.

There are three ways we can arrive at the control of fraudulent securities.

We can do nothing, as we are doing now, and wait until somebody has been actually defrauded, as was suggested by the gentleman from Texas [Mr. PATMAN], and then prosecute the man criminally; but this is not a very satisfactory way. It is locking the barn after the horse has been stolen.

The second way is to go after the security itself and establish a bureau to go into the assets of the company, the legality of its incorporation, and everything pertaining to the value of its securities. This includes patent rights, good will, and a great many questions of that kind that you gentlemen who are lawyers in the different States and have had experience with blue-sky departments know about and know how very complicated and very expensive this is and also know that experience in most cases has shown that such efforts are futile.

We have attacked the question at this time in another way—not to go directly at the security, but to go at the man who sells the security and as soon as the man publishes advertising of a defrauding character or sells securities which he knows to be fraudulent, then the commissioner of insurance in the easiest way possible, by injunction or by revoking his license, stops the crime before it is committed.

The question has been raised here by the gentleman from Texas that this opens the door, by licensing these salesmen to go into other States and sell without restriction. This is altogether a matter that is under the control of the various States themselves. If the States do not want an agent licensed in the District of Columbia to sell securities in the State of Ohio or Oklahoma or Pennsylvania, the States can stop it. The licensing of an agent here has nothing to do with anything except selling in the District of Columbia.

Mr. STRONG of Kansas. Will the gentleman yield?

Mr. HARLAN. I yield.

Mr. STRONG of Kansas. Does the gentleman think it is a very good policy to prosecute a man for selling a worthless security and pay no attention to the security itself, and let somebody else go on and sell it?

Mr. HARLAN. I would not say that is perfect; but when you take the other side of the picture, the difficulties in the other class of cases have been greater. When you go after the securities it has been more difficult to ascertain the good from the bad, and another difficulty is that when a security is certified by a blue-sky department, the people say, "Here, this must be a good, bona fide, gilt-edged security. It has the stamp of the blue-sky department on it and it is good," whereas, in fact, it may or may not be good.

Mr. STRONG of Kansas. But suppose they make an investigation and say this security is not good. This is what they have to do when they send a man to jail or put him out of business, and why not do it before any harm is done?

Mr. HARLAN. The insurance commissioner here has very liberal powers in that regard.

Mr. BOWMAN. Will the gentleman yield to me a moment?

Mr. HARLAN. Yes.

Mr. BOWMAN. Is the gentleman from Kansas aware of the fact that worthless securities issued in the District were sold in various States throughout the Union under the provisions of a blue sky law?

Mr. STRONG of Kansas. No.

Mr. BOWMAN. The blue sky law gives them an opportunity to commit fraud, and the State of Minnesota has recently enacted a law which requires a notice to be placed on each certificate of stock to be sold in the State of Minnesota, and the notice is as follows:

NOTICE.—While the laws of the State of Minnesota permit the sale of the attached securities, such legal permission does not mean that the State of Minnesota guarantees the success of the enterprise covered by such securities.

In other words, the indorsement and the recommendation of the State gives greater and greater opportunities for fraud than the injunction type of control.

[Here the gavel fell.]

The CHAIRMAN. The question is on the motion to strike out the enacting clause.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 7, noes 43.

So the motion was rejected.

Mr. PATMAN. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment by Mr. PATMAN to the committee amendment: Page 3, line 21, after the word "Columbia," insert "unless said companies engage in the sale of foreign securities."

Mrs. NORTON. Mr. Chairman, the committee will accept that amendment.

Mr. STAFFORD. What attitude does the lady from New Jersey take toward the committee amendment—to have the committee amendment defeated, to strike it out, or have it remain in the bill?

Mrs. NORTON. Have it remain in the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. PATMAN].

The amendment was agreed to.

The CHAIRMAN. The question now is on the committee amendment.

The question was taken, and the committee amendment was rejected.

Mr. LA GUARDIA. Mr. Chairman, I move to strike out paragraph (d).

The CHAIRMAN. The Clerk will report the amendment. The Clerk read as follows:

Mr. LA GUARDIA moves, on page 3, beginning in line 2, to strike out paragraph (d).

Mr. LA GUARDIA. Paragraph (d) provides that the provisions of this act shall not apply to any sale or offer for sale of securities of any bank, bankers, savings bank, trust company, building and loan association, insurance company, or other financial institution. Why are they exempted? At this very time all the financial institutions in this country, with a very few exceptions, are under great stress and difficulty and embarrassment by reason of worthless securities which they purchased and now hold. It has been suggested by a gentleman near me that these banks are exempted because they know what they are doing. Mr. Chairman, they do not, and I make the statement without any reservation.

You can catalogue the banks of this country in two classes; in one class those who sell bad securities and in the other class those who bought bad securities. There is no doubt about that.

I realize the difficulty of the committee in getting any sort of a bill through. I know how difficult it was in previous years.

Let us be frank about it. There was a time, let me say to the lady from New Jersey, when some of the very dirtiest work that went on in the District of Columbia in reference to securities was participated in by a member of the committee, who is now under indictment.

Mr. BLANTON. He was chairman of the District Committee until this session of Congress.

Mrs. NORTON. Does the gentleman think that has anything to do with the present bill?

Mr. LA GUARDIA. No; but I understand the difficulty is in getting any sort of a measure of this kind with real teeth in it, anything that will really accomplish the purpose. There are thousands and thousands of small investors in the District of Columbia who have bought worthless stocks and bonds. I want to take this opportunity to refer to the excellent and very efficient public service of Assistant Attorney General Nugent Dodds, who convicted some of these scoundrels.

I want to say to the lady from New Jersey, that before she was a Member of the House, we tried to put through a national blue sky law, and we encountered the same difficulty when we got to the period of reading it under the 5-minute rule that we have had here. It was loaded down with amendments, and we could not do it. Congress wants to give some attention to this kind of legislation. The scoundrels seem to be very powerful in either getting a meaningless bill or no bill at all.

Mr. BLANTON. The amount that F. H. Smith & Co. and former Congressman Zihlman defrauded the people of the United States of would run up into the millions.

Mr. LA GUARDIA. No doubt about that. I do not think you should put into these exceptions a provision that it shall not apply to bankers. The banker, as has been said, can take care of himself; it is the depositors that I am concerned in. I think we should strike out section (d).

If an individual in the District should sell a can of beans misbranded or sell milk contrary to the health regulations; if an individual in the District of Columbia should sell a suit of clothes as wool that is not wool or a piece of jewelry and call it sterling when it is not sterling, there are ample laws to take care of the situation; but because a man sells a piece of paper with a seal on it, which is fraudulent, he can get away with everything as long as he calls himself a banker or a broker. This bill is loaded with exceptions. That is why the bill is unsatisfactory. It has not sufficient teeth in it. Why, right in this same paragraph which leads off with an exception for bankers and financial institutions; that is, the act not being applicable to them, it goes on and excepts from the provision of the bill advertisements in newspapers and circulars, pamphlets, and other advertise-

ments. Why, that is the very heart of any blue sky law. Why exempt such advertisement when the law to protect investors should be sufficiently far-reaching as to take any scoundrel who advertises falsely and sells securities on such misrepresentation and place him in jail where he belongs. As we read on further, I will point out similar provisions which destroy the very purpose of this bill and the purposes which I know the distinguished lady from New Jersey has in mind. Paragraph (d), to start with, should be stricken from the bill.

Mr. BLACK. Mr. Chairman, I think the committee could well accept the suggestion made by the gentleman from New York [Mr. LaGuardia] without doing the bill any harm. I understand the general reason for this exemption is because it is patterned after similar exemptions in blue sky laws, the reason for the exemptions being that there are other laws far more stringent than the blue sky law to take care of the investment of banks. I understand that is also the case in the District of Columbia, and that this law, with the provision against banks, would not offer any greater safety to the depositors than do the existing statutes.

Mr. LaGuardia. And also on page 4 in the same paragraph where it says—

Nor to the sale of space for advertising of securities in any newspaper, magazine, or publication.

Mr. BLACK. Mr. Chairman, I believe one of the troubles with these bills is that always there have been too many exemptions. If we are going to draw a blue sky bill we might as well make it as broad as possible. The idea of this bill is not to protect the banks, directors of insurance companies, and so forth, but it is to protect the public which have no means of making an investigation, which it is supposed that banks and insurance companies are in the position to make.

Mr. McFadden. Mr. Chairman, will the gentleman yield?

Mr. BLACK. Yes.

Mr. McFadden. Would banks located outside of the District be exempted from selling securities in the District under this bill?

Mr. BLACK. No; I do not think so. The point the gentleman from New York is making is that the exemption is designed to protect the banks buying securities. We are not discussing banks selling securities. I rather think that the introducer of the bill and the committee could accept the suggestions of the gentleman from New York.

Mr. Reed of New York. Mr. Chairman, I move to strike out the last word.

A group of financial bandits, actuated by selfish motives and with no regard for the welfare of the Nation, have driven the public into a frenzy of fear and despair for no other purpose than to profit by it. Recent disclosures of the transactions on the part of men prominent in financial circles have shaken public confidence to its very foundations. When the whole story is revealed it will be the blackest page in our financial history. The curtain has been lifted just enough to enable the public to get a mere glimpse of the sordid mess. Those who have endured great financial hardship during the depression have been inclined to blame the Government, and especially Congress, for the blighting plague from which they have suffered.

The financial pirates, who have fleeced the public out of billions of dollars, now hope to obscure their iniquities by directing public attention elsewhere.

Just as soon as investigations had proceeded to a point where the financial raiders saw danger, the heavy guns of propaganda were wheeled into line for action and a broadside of vilification was turned upon Congress. The press, the magazines, the radios, the paid lecturers, and the mails have thrown down a dense smoke screen of invective to obscure and shield from public view the operations of these financial racketeers.

Thirty billions of dollars of worthless foreign bonds sold to innocent investors does not provoke widespread editorial comment. A pool to fleece the public out of millions of

dollars is looked upon by the press in great financial centers as a legitimate and righteous transaction.

An organized bear raid to drive securities down to a point where thousands of banks are threatened with insolvency provokes little editorial comment and fails to arouse the indignation of the press.

The purchasing power of the United States has been deliberately and shamelessly impaired to the extent of \$30,000,000,000 through the sale of worthless securities by the international bankers. Through this monumental swindle the hard-earned savings of millions of Americans have been diverted from productive enterprise at home to be spent with unrestrained prodigality abroad.

In the process of selling and unloading these worthless securities on the American public, the international bankers in some instances did know of their worthless character. It was done for the sole purpose of making unholy and unconscionable profits growing out of large and unusual commissions allowed these bankers for such sales. Much of this vast sum will be used by our foreign competitors. One foreign country has used a portion of the money obtained from the sale of its worthless securities to build better homes for its workmen and to develop parks and playgrounds for their children. The object for which the money has been spent abroad may be laudable, but in this time of distress its expenditure for those who are in need in this country would be more commendable.

A gross betrayal of our national interests such as this provokes no widespread condemnation. When Congress inserts an item in an appropriation bill to assist the States and local communities of America to train men, women, and children crippled in industry such an act is hailed as gross extravagance.

The President has recommended and Congress has passed legislation at this session of Congress to afford relief to various basic institutions of the country. Every attempt to restore public confidence has met with the organized and determined resistance of those who prey upon public distress.

Market raids have been organized and executed with consummate skill to still further shatter public confidence and for no other purpose than to frighten and bewilder their victims until in sheer desperation small investors, including employees who have purchased the stock of the company that employs them, have sacrificed their hard-earned holdings only to have them bought in by the financial vultures who hope to profit when the tide turns. This is an old racket and during previous depressions it has been carried on without let or hindrance.

The President has suggested and Congress has enacted legislative measures to absorb the shock of this world-wide depression. Never before in the history of financial panics has so much been done by the Chief Executive and by Congress through legislative enactments to reassure and restore business to its normal functions.

These efforts have been nullified by the deliberate and malicious acts of men who seek to profit by the continuation of the depression. Every manifestation of a return of confidence has been met with ruthless resistance and a bold counterattack upon security values.

The time will come, however, when the testimony now spread upon the record will become known to the public and the motive for the vicious attacks that have been launched upon Congress will be disclosed.

Mr. Evans of California. Mr. Chairman, I ask unanimous consent to proceed for one minute out of order.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. Evans of California. Mr. Chairman, I ask this privilege for the purpose of presenting to the House a distinguished young woman of this country. She is a resident of the city which I have the honor to represent in part—Los Angeles. On Saturday evening she won the national championship in the oratorical contest held in this city on the fundamentals of the Constitution of the United States. In

a short time she will compete for the world championship. She is in the gallery this afternoon, and I take great pleasure in presenting to the House Miss Lucille Goldsmith, of Los Angeles. [Applause.]

Mr. DYER. Mr. Chairman, I move that all debate upon section 1 and all amendments thereto be closed in 10 minutes.

The motion was agreed to.

Mr. BOWMAN. Mr. Chairman, I rise in opposition to the amendment of the gentleman from New York [Mr. LaGuardia]. I call the gentleman's attention to page 2 of the bill. It provides that—

Salesmen shall include every person employed or appointed or authorized by a dealer to sell or to offer for sale within the District of Columbia, for a commission or compensation, any security to any person.

The subsection then proceeds with the definition of partners and partnerships, and so forth. Then we find in subsection (b) that—

The term "include," when used in the definition contained in this act, shall not be deemed to exclude other things or persons otherwise within the meaning of the term "define."

In subsection (c) the law specifically provides:

The provisions of this act shall not apply to any receiver, referee, administrator, executor, guardian, or other person appointed or acting under the judgment or order of any court—

And so forth.

And subsection (d) provides:

The provisions of this act shall not apply to any sale or offer for sale of securities to any bank, banker, savings bank, etc., trust company, building and loan association.

I think the gentleman from New York will understand definitely that it is necessary to prescribe certain limitations around the qualification for salesmen, and consequently there are excluded from the bill receiverships and referees, administrators, bankers, and so forth.

Mr. LaGuardia. Will the gentleman yield?

Mr. BOWMAN. I yield.

Mr. LaGuardia. Of course, "receivers" is not in this paragraph, so that is out of the argument. I am talking about section (b) alone. Now, this act provides, first—

Shall not apply to bankers—

But what I can not understand is why in the same paragraph there should be added the provision:

nor to the sale of space for advertising of securities in any newspaper, magazine, or publication, nor to the offering of securities by any person in conjunction with any registered dealer by use of advertisement.

That is where all the vice and trouble come.

Mr. BOWMAN. That section applies only to bankers, trust companies, and so forth.

Mr. LaGuardia. No. It reads:

The provisions of this act shall not apply.

That is what I wanted to strike out. It will not hurt the law at all to strike out paragraph (d). Unless the bankers sell they will not come into it, but this vicious part which has been unwittingly hooked on to paragraph (d) is the root of the evil. Nothing will be accomplished unless that goes out. I can not do anything more than offer the amendment and call the attention of the House to it.

Mr. BOWMAN. I hope the amendment will not prevail.

Mr. MILLARD. Will the gentleman yield?

Mr. BOWMAN. I yield.

Mr. MILLARD. This bill was framed after similar laws in the States of New York, New Jersey, and Connecticut, was it not?

Mr. BOWMAN. Yes; that is correct.

Mr. MILLARD. Is this same provision contained in those laws?

Mr. BOWMAN. Yes. It is also in the Connecticut and the New Jersey laws.

Mr. MILLARD. The New York law is a very carefully worded law.

Mr. STAFFORD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. STAFFORD. The gentleman from New York moved to strike out the entire paragraph, namely, (d). There is a committee amendment to strike out lines 7 and 8, and I take it that the vote will first come on the committee amendment, in the nature of a perfecting amendment.

The CHAIRMAN. The committee amendment will be acted on first.

The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: On page 4, line 6, after the word "groups" and the semicolon, strike out the words "nor to any sale or offer for sale of securities upon the floor of any exchange to a dealer in securities."

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. LaGuardia].

The question was taken; and on a division (demanded by Mr. Bowman) there were ayes 22 and noes 6.

So the amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 4, line 16, insert a new section to read as follows:

"(e) It shall not be necessary for incorporated banks, including national banks and trust companies, now or hereafter transacting business as banks and/or trust companies within the District of Columbia, and subject to examination and supervision by the Comptroller of the Currency of the United States, to register or to file any registration as required in section 2 of this act, nor shall it be necessary for any such bank or trust company to pay the fee or to file any supplemental registration statement as required in section 4 of this act, but such banks and trust companies shall in all other respects be subject to the provisions of this act."

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment.

I regret that the distinguished gentlewoman from New Jersey [Mrs. Norton] has charged my colleague from Texas [Mr. Blanton] with filibustering. Mr. Blanton was a member of this committee for many years. He is familiar with the legislation that has been pending for many years before this committee. He can find the loopholes and jokers in a bill as quick as any Member of this body. He is one of the most useful Members of the House of Representatives. He has the interest of the people at heart, and his knowledge of parliamentary law enables him to very effectively protect and defend them from innocuous proposals such as the one now pending before us. His participation in this debate has been very helpful. I am glad that he refuses to be intimidated by such unjustified charges, and continues to carry on for what he believes is right.

Since the LaGuardia amendment, striking out section (d) has been adopted, this committee amendment inserting section (e) should be defeated. If it is intended to apply to those concerns named in section (d), section (e) should not be in the bill. I hope the chairman of the committee will agree with me on that proposition, and accept my amendment.

While the committee chairman is examining the amendment I want to invite attention to the fact that I do not think this bill should pass in any form. If the bill does pass, it will just be a hindrance. It will be an excuse for not enacting real legislation. This is not effective legislation against fraud. If it were, you would be for it and I would be for it. All of us would be in favor of enacting legislation against fraud. We want to stop fraud. We want to put people who are guilty of fraud in the penitentiary, but this bill will not do it. It will be a hindrance rather than a help. For instance, in the case of the F. H. Smith Co., those men who were guilty of violating the law have been sent to the penitentiary. Under this bill they would have been registered to sell securities, and then, after they had defrauded people, instead of having a grand-jury indictment, they would have been investigated by the Department of Insurance to determine whether or not they were guilty.

Mr. BLANTON. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BLANTON. Under the proposed section (e) such fraudulent outfits as the F. H. Smith Co. could sell all sorts of worthless securities in the 48 States without even filing them for registration or having any action taken whatever regarding investigation of their value.

Mr. LA GUARDIA. Or the American Bond & Mortgage Co.?

Mr. BLANTON. Certainly. This provision would permit more fraud than exists to-day.

Mr. PATMAN. I think it would be an excuse for fraud. If this bill were enacted into law, a salesman would call at your office. His argument would be this:

I am registered under the laws of the District of Columbia to sell securities. In order to sell these securities I must submit to the District insurance commissioner all the advertising that I am putting out. I have submitted to him all this advertising. He has put his stamp of approval upon it, and, therefore, you can rely upon every word that is stated in this advertising matter, and I should not be registered here unless I were selling good securities.

Mr. HARLAN. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. HARLAN. Would not that same argument apply to any effort at the regulation of the sale of securities, or if we tried to control the security or the man who sold the security, and is it not true there is nothing in this bill that repeals any criminal statute that the F. H. Smith Co. or any other company may have violated?

Mr. PATMAN. If this bill had been effective when the F. H. Smith Co. was selling these worthless securities what would have happened? Complaint would have been made. Instead of making complaint to the grand jury, as was done in that case, complaint would be made to the insurance commissioner, who would have spent one month, two months, six months, or two years investigating it, and then if the statute of limitations had run upon the criminal offense that had been committed, of course, it would be just too bad for the law-abiding people of the District.

Mr. HARLAN. Will the gentleman yield further?

Mr. PATMAN. I yield.

Mr. HARLAN. There certainly is not a thing in the bill that in any way affects the action of the prosecuting official of the District.

Mr. PATMAN. It does not enjoin him. Do not take too much of my time. It would give the commissioner of insurance jurisdiction.

[Here the gavel fell.]

The CHAIRMAN. The question is on the committee amendment.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 17, noes 13.

So the amendment was agreed to.

Mr. BLANTON. Mr. Chairman, I move to strike out all of section 1 and insert in lieu thereof the provisions of the bill known as the Blaine blue sky bill, S. 3362, after the enacting clause. That is a real blue sky bill which will stop fraud all over the United States.

Mr. Chairman, I give notice that if the Blaine bill is inserted as an amendment, I shall move to strike out the other provisions of the House bill, which notice I am entitled to give under the rules of the House.

Mr. BLACK. Mr. Chairman, I reserve a point of order and ask unanimous consent that the reading of a long bill like the Blaine bill be dispensed with. We all know what it is.

Mr. BLANTON. This is one of the best bills that have yet been proposed. While it, too, needs amending, I want the membership to hear it.

Mr. BLACK. It is just taking up the time of the committee.

The CHAIRMAN. The Clerk will report the amendment. The Clerk read as follows:

Amendment by Mr. BLANTON: Strike out all of section 1 of H. R. 9065 and insert in lieu thereof the following, after the enacting clause:

"DEFINITIONS"

"SECTION 1. When used in this act the following terms shall, unless the text otherwise indicates, have the following respective meanings:

"(1) 'Security' shall include any note, stock, treasury stock, bonds, debenture, evidence of indebtedness, certificate of interest or participation, or right to subscribe to any of the foregoing, certificates of interest in a profit-sharing agreement, certificate of interest in an oil, gas, or mining lease, collateral trust certificate, preorganization certificate, preorganization subscription, any transferable share, investment contract, or beneficial interest in title to property, profits or earnings, or any other instrument commonly known as a security, including an interim or temporary bond, debenture, note, certificate, or receipt for a security or for subscription to a security.

"(2) 'Person' shall include a natural person, a corporation created under the laws of the United States, District of Columbia, or any State, country, sovereignty, or political subdivision thereof, a partnership, an association, a joint-stock company, a trust, and any unincorporated organization. As used herein the term 'trust' shall not include a trust created or appointed under or by virtue of a last will and testament, or by a court of law or equity, or any public charitable trust.

"(3) 'Sale' or 'sell' shall include every disposition, or attempt to dispose of a security or interest in a security for value. Any security given or delivered with, or as a bonus on account of, any purchase of securities or any other thing, shall be conclusively presumed to constitute a part of the subject of such purchase and to have been sold for value. 'Sale' or 'sell' shall also include a contract to sell, an exchange, an attempt to sell, an option of sale, a solicitation of a sale, a subscription or an offer to sell, directly or by an agent, or a circular, letter, advertisement, or otherwise: *Provided*, That a privilege pertaining to a security giving the holder the privilege to convert such security into another security of the same issuer shall not be deemed a sale of such other security within the meaning of this definition and such privilege shall not be construed as affecting the status of the security to which such privilege pertains with respect to exemption or registration under the provisions of this act, but when such privilege of conversion shall be exercised such conversion shall be subject to the limitations hereinafter provided in subsection (h) of section 5: *And provided further*, That the issue or transfer of a right pertaining to a security and entitling the holder of such right to subscribe to another security of the same issuer, when such right is issued or transferred with the security to which it pertains, shall not be deemed a sale of such other security within the meaning of this definition and such right shall not be construed as affecting the status of the security to which such right pertains with respect to exemption or registration under the provisions of this act; but the sale of such other security upon the exercise of such right shall be subject to the provisions of this act."

Mrs. NORTON (interrupting the reading of the amendment). Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose, and the Speaker having resumed the chair, Mr. THOMASON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 9065) to supervise and regulate the sale of securities within the District of Columbia, and had come to no conclusion thereon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. MCCLINTIC of Oklahoma (at the request of Mr. HASTINGS), for two weeks, on account of important business.

To Mr. BOYLAN, indefinitely, on account of illness.

To Mr. GOODWIN, indefinitely, on account of illness in family.

To Mr. KENDALL (at the request of Mr. KURTZ), indefinitely, on account of the death of his brother.

To Mr. HARE (at the request of Mr. DOMINICK), for two days, on account of important business.

OPENING AND CLOSING OF ROADS ON LANDS OWNED BY THE DISTRICT OF COLUMBIA AT OCCOQUAN, VA.

Mrs. NORTON. Mr. Speaker, I call up the bill (S. 1768) to provide for the opening and closing of roads within the boundaries of the District of Columbia workhouse property at Occoquan, Fairfax County, Va., and ask unanimous consent for its consideration in the House as in Committee of the Whole.

The SPEAKER. The lady from New Jersey calls up Senate bill 1768, to provide for the opening and closing of roads within the boundaries of the District of Columbia workhouse property at Occoquan, Fairfax County, Va., and asks unanimous consent for its consideration in the House as in Committee of the Whole. Is there objection?

Mr. BLANTON. Mr. Speaker, reserving the right to object, there was a bill before the committee called up in the House, and the House went into the Committee of the Whole House on the state of the Union to consider it, and under the 5-minute rule it was being read when I offered a germane amendment. During the reading of the amendment, without concluding it, the committee rose.

I wish to propound a parliamentary inquiry. Is it not the unfinished business of the committee to finish reading that amendment before it takes up any other bill?

The SPEAKER. It was in the committee; but the committee rose, and we are now in the House.

Mr. BLANTON. That is a bill upon which there had been general debate and it was being read under the 5-minute rule. An amendment had been offered to substitute a Senate bill and notice was given that if the amendment were adopted and the Senate bill substituted motions would be made striking out the following provisions of the bill.

The SPEAKER. The Chair will state to the gentleman from Texas that the Committee of the Whole rose. When the Committee of the Whole resumes consideration of that particular bill it will then resume consideration of the amendment.

Mr. BLANTON. I think it is more important to finish the other bill, and I therefore object.

BOARD OF INDETERMINATE SENTENCE AND PAROLE FOR THE DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Chairman, I call up the bill H. R. 10273, a bill to establish a board of indeterminate sentence and parole for the District of Columbia and to determine its functions, and for other purposes.

The Clerk read the title of the bill.

Mrs. NORTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10273.

Mr. STAFFORD. Mr. Speaker, before the Chair puts that motion can we arrive at some limit of time for general debate on this bill?

Mrs. NORTON. Thirty minutes.

Mr. BLANTON. I do not think we can arrive at any such agreement.

Mr. PALMISANO. Mr. Speaker, I move that the House do now adjourn. It seems we can not get anywhere. The gentleman from Texas will not agree to anything.

Mr. BLANTON. The gentleman from Maryland will not agree to anything. I am not going to allow him to thus refer to me on the floor.

The SPEAKER. All of this discussion is out of order.

Mrs. NORTON. Mr. Speaker, pending the motion that the House resolve itself into the Committee of the Whole House on the state of the Union, I ask unanimous consent that debate on this bill be limited to 30 minutes.

The SPEAKER. The lady from New Jersey moves that the House resolve itself into the Committee of the Whole on the state of the Union for the consideration of the bill H. R. 10273, and, pending that motion, asks unanimous consent that debate on the bill be limited to 30 minutes. Is there objection?

Mr. BLANTON. Mr. Speaker, I object.

ADJOURNMENT

Mrs. NORTON. Mr. Speaker, I move that the House do now adjourn.

ORDER OF BUSINESS

Mr. SNELL. Will the lady withhold that motion for a minute?

Mrs. NORTON. Gladly.

Mr. SNELL. Mr. Speaker, may I ask something about the program for to-morrow and the balance of the week?

The SPEAKER. The Chair understands that two election cases will be taken up to-morrow.

Mr. SNELL. They will take very little time, because I understand they are unanimous reports. Is anything else to come up?

The SPEAKER. The Chair has not been advised about it. The Chair understood there was to be some debate on one of the election cases but probably not. When consideration of those cases is finished it is possible that the bill which is to be taken up for consideration Thursday may be taken up, a bill reported by the Banking and Currency Committee—either that or the House will adjourn.

PLEA FOR ADDITIONAL DISTRICT OF COLUMBIA LEGISLATION

Mr. BLACK. Mr. Speaker, I ask unanimous consent to address the House for two minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BLACK. Mr. Speaker, I am going to ask the lady from New Jersey not to insist on her motion to adjourn because we have two bills from the District Committee which are vitally important to the District and vitally important in the way of employment. We have two bills which permit the closing of streets and the extension of a railroad spur at Buzzards Point for the purpose of the erection of a new power plant. It is estimated that about \$4,000,000 will be spent in the District by the erection of this plant. If these bills are passed, they must be passed to-day if they are to serve their purpose. I understand we will not have another District day in the House. I hope therefore this House will not adjourn without giving this opportunity of relief through the expenditure of money for construction work. This is the first light I have seen in the way of relieving unemployment and it means a great deal to the District of Columbia.

Mr. BLANTON. Mr. Speaker, I demand a quorum. I think we should have one.

Mrs. NORTON. Mr. Speaker, I move that the House do now adjourn.

Mr. McDUFFIE. Will the lady withhold her motion?

Mrs. NORTON. I will be glad to withhold it.

The SPEAKER. Does the gentleman from Texas withhold his point of no quorum?

Mr. BLANTON. For the purpose of permitting the gentleman from Alabama to make a statement; yes.

CHARLES BRANTLEY AYCOCK

Mr. McDUFFIE. Mr. Speaker, on last Friday, May 20, the statue of the late Charles Brantley Aycock, one of America's outstanding statesmen, was presented to the United States. The presentation was made by the governor, representing the State of North Carolina, and by the Hon. Josephus Daniels, former Secretary of the Navy, representing the Aycock Statue Commission of North Carolina.

It was my privilege to attend and hear a part of that very interesting program in Statuary Hall. Unfortunately, I did not hear nor have I a copy of the address of the Hon. Josephus Daniels, but I understand the gentleman from North Carolina [Mr. LAMBETH] has a copy and will ask permission to extend his remarks by inserting in the CONGRESSIONAL RECORD the very able address of Mr. Daniels. I have a copy of the masterful address of the Hon. Max Gardner, who is one of America's greatest executives and who truly represents all of the fine traditions of the Old North State. The address accepting for the United States the Aycock statue was delivered by our colleague the Hon. LINDSAY C. WARREN, who so ably represents the first congressional district of North Carolina in the House of Representatives. Mr. WARREN's address, a copy of which I also have, is a classic, worthy of his fine intellectual genius. I ask permission of the House to have these addresses printed in the CONGRESSIONAL RECORD.

The SPEAKER. The gentleman from Alabama asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

The addresses follow:

ADDRESS OF GOVERNOR GARDNER PRESENTING THE AYCOCK STATUE, STATUARY HALL, WASHINGTON, D. C., FRIDAY, MAY 20, 1932, AT 3 O'CLOCK P. M.

In Westminster Abbey there is a tablet to the memory of a great son of Britain which bears only two words, "Loved, served."

These two words, with great appropriateness, could be carved on this statue of Aycock.

In the undelivered speech of Charles Brantley Aycock, announcing his candidacy for the United States Senate, there is a sentence which seeks a self-appraisal that will be universally accepted by the public and will relieve contemporary North Carolinians of all embarrassment in the invidious task of selecting him for this great national honor.

Mr. Aycock had set a date for his formal announcement of his candidacy for the Senate, but meanwhile had been called to Birmingham to address the National Education Association. There standing before the teachers of his country and glorifying their cause, he fell dead on the platform with "education" as his last audible word. There was a predestined fitness in his death as there had been in that life, for despite his rearing in the sweltering domain of politics he wrought his immortality in his ministry to the child.

In that unuttered address Governor Aycock wrote of himself: "For I am a plain and simple man who loves his friends and has never been hated enough by any man to make him hate again in return." You see in a moment why North Carolina's devotion perseveres after an interim of 30 years between his public service in office and this good day. "A plain and simple man who loved his friends" and never allowed the hate of an enemy to change the direction of his duty. What a sublime philosophy of life.

Most of our great public men have been victimized by both their enemies and their friends. If friends have not disproportioned our heroes utterly by praise, enemies have deformed them by calumny. To see only the faults or to see no faults at all has been the tragic limitation of this great democracy of ours. And then finally comes a day when this great whirling chaos turns to order, justifies itself and the faith of all its dreamers, canonizes a man like Charles Brantley Aycock, and in one voice demands that he be placed in the Valhalla of the Nation.

I do not anticipate any development in our national life which can alter the verdict of our times. Choosing for Statuary Hall a second North Carolinian to embody in bronze the spirit of our people and the genius of our institutions could have been both an audacious and an impudent performance. It has a finality about it that is subject to all the discounts of history. But I dare say that if there ever comes a time when North Carolinians repudiate the decision of our own day, the Commonwealth itself will have degenerated so that it will be interested in no great past, without which interest there can be no great future.

Two of our greatest sons have been honored by other States. Andrew Jackson is presented by Tennessee and Thomas Hart Benton by Missouri. They pioneered in the westward sweep of the empire, leaving behind an equally mighty array of figures to pioneer in the spirit of democracy—William Richardson Davie, the "father of the university," governor, diplomat, Senator; Nathaniel Macon, fundamental democrat and prince of the parliamentarians as Speaker of the National House of Representatives; James Knox Polk, President of the United States, who added the vast empires of Texas and California to the great Republic; Archibald D. Murphy, deep scholar and constructive planner of North Carolina's development; Andrew Johnson, President of the United States, defender of the Constitution, and glorified exponent of the right of mankind to be redeemed by their own crafts; Thomas Ruffin and Richmond Pearson, who made their own bar and bench known throughout the country; Walter Hines Page, editor, scholar, social and educational reformer, internationally famous ambassador to the Court of St. James; not to mention Willie P. Mangum, William Gaston, William A. Graham, John Motley Morehead, James Johnston Pettigrew, and a hundred others of a great line. What a galaxy of stars from which to find our contribution to the Nation.

North Carolina's choice has fallen upon men close to our own time—Vance and Aycock—men whose personality and traits are still familiar to many now living. Neither won the highest prizes of public office in the Nation—Presidency, Vice Presidency, or Cabinet officer. But each loved his way into this national eminence and won his place on their universal recognition as typical products of North Carolina at its best.

Yet all of us recognize that this distinction, admirable and enviable as it may be, is of itself not sufficient to warrant inclusion in the national pantheon. We must look for that elusive, almost indefinable, quality which the world calls greatness. The term is loosely used and bestowed often where it does not belong. These men were North Carolina politicians, and in the world-wide debunking, it has become a fashion to make politics a byword and a hissing. Neither Vance nor Aycock regarded himself better or worse than his fellows, and they in turn knew that the difference between these statesmen and themselves was their unwillingness to flatter, to cringe, to crawl, to time serve, to gain power and applause by pandering to the mistakes, the prejudices, and the passions of the uninformed multitude.

In a régime beginning in the fury of a "white-supremacy" campaign, who will ever forget Aycock, standing in the State convention and called to account by the critics of his administration? Yet he stood there before a mighty throng of his own people and told them that a Commonwealth could be neither great nor good at heart if it supported that monstrous doctrine that ignorance can be a cure for anything. Standing before his great mind there was not merely the white child, there was the child race to be taught. And never since that day, 28 years ago, has universal education been seriously challenged or interrupted

in North Carolina. He never lost his partisan fervor; he never abated a jot or tittle his love for the democracy whose virtues he extolled with incomparable eloquence. Yet he won the respect, the admiration, the love of his political opponents.

North Carolina gratefully presents him to the whole people to-day as a North Carolina product unchanged or unspoiled by exotic growth. He was a "tar heel" to the toes. Other public men in our State have had a broader but not a deeper culture. His Shakespeare, his Tennyson, and his Bible gave him a style that fascinated any audience anywhere in the country. New York cheered him and Boston marveled at the rhythmic oratory of a countryman who did his utmost to be unadorned in speech or dress. But it was his love that made him eloquent, and Boston warmed to him with the fervor of Black Swamp in Wayne County.

Had Charles B. Aycock reached the United States Senate he never would have regarded himself a United States Senator, but rather an ambassador from the country of North Carolina to the court of Washington. Yet his colleagues never would have called him a provincialist, for none knew better than he that North Carolina was in the world and of it. His was a love that began at Jerusalem, spread to Samaria, and then to the uttermost parts of the earth. He conceived his first duty as a citizen to set himself aright. He sought first the "kingdom and its righteousness," and the Nation had been added unto him.

This explains how to-day it comes that we are gathered in this sanctuary of statesmanship to unveil this monument to him. Geographical theaters do not restrict him, public office does not remind us constantly of him. Shakespeare makes one of his characters exclaim, "So shines a good deed in a naughty world," but in Charles Brantley Aycock we behold the good deed shining in a society organized to radiate his influence and power throughout the Nation.

North Carolina lovingly presents him to the country as a leader of men, who, in his small territory, was too great to praise prejudice as patriotism, to call ignorance wisdom, or to make flattery the test of real friendship for his people. He saw his beloved State struggling up out of "poverty and ignorance and long repression into knowledge and general power." Some of us gave startling statistics on the lowliness of our position, others lamented our grinding poverty, still others bemoaned the depth of our illiteracy. But Charles B. Aycock rose to dispel them. He could tell his people that they were poor without patronizing them, that they were illiterate without deriding them, that they were lazy without abusing them. Others coming after him have reaped where he sowed, and have sowed in soil made fertile by his life.

It was the great Pasteur who defined democracy as "that order in the State which enables every man or woman to put forth his or her utmost effort." Such was the passion of Aycock that 3,000,000 of his North Carolina people to-day have a larger and a richer life because he was democracy personified, democracy in action.

North Carolina joyfully presents him to his country, not as the expounder of a form of government, but as the product and fruit of its spirit. We acclaim him in North Carolina, white and black, and love him because he first loved them.

ADDRESS OF REPRESENTATIVE LINDSAY C. WARREN, OF NORTH CAROLINA, ACCEPTING THE STATUE OF CHARLES BRANTLEY AYCOCK IN STATUARY HALL, MAY 20, 1932, AT 3 P. M.

Surveying a brilliant field of stars of the first magnitude, appraising those who had best served her and the Nation throughout her long and great and honorable history, North Carolina, with a unanimity of opinion, brings here to-day as the companion of the immortal Vance the well-carved image of one whose title is the most deserving, whose fame is the most secure, and whose right to stand in the Nation's Pantheon will never cause the justness of the award to be challenged.

Here amongst the memorials of her good and great—of her best and highest, our State presents the likeness of one whose works and deeds have made him worthy to bear witness to all time of what our country holds to be highest and noblest in her citizens and her servants, and provides for its citizens in him a lasting sense of individual inspiration and of national life.

While this statue may speak of the past, it also has a greater meaning to the present and future. Valuable as was his contribution to his day and generation, it will prove incomparably more valuable on down through the ages, and beyond the calculable values of his life and works, there is also an infinite inspiration like a spring of water never ceasing, of which everyone who pauses here in all the time to come may drink, and for the drinking will be the better in every aspect of life.

When Charles Brantley Aycock heard the cry of his people and saw the perils of his government, he threw the whole weight of his great mentality, his indomitable spirit, and his majestic courage into the struggle. By the sheer power of his personality, by the force and eloquence of his logic, by the all-pervading sincerity and sweetness and simplicity of his soul—speaking a language all could understand—he led a revolution that gave his people a rebirth, and laid securely the foundation of the new order that has carried the State to the highest peaks of her sisterhood in the Nation.

In a time more distressful than the present, and out of disaster more dark than any that now threatens or may ever threaten us, there arose his great figure in the Commonwealth of North Carolina—a figure of the infinite riches of the spiritual values in a time of poverty—a figure of faith in a time of despair—a figure of courage in a time of fear—and in that figure the Common-

wealth found the symbol of her will, the deliverer of her rights, and the vindicator of her ideals. He was born of the travail of her soul—of the travail of the War between the States, and the travail of her struggle for the preservation of her institutions, and it may reverently be said of North Carolina that in him she saw of the travail of her soul and was satisfied.

The distinction of Charles Brantley Aycock is twofold. He gave to North Carolina the leadership which brought with it the right of those fitted by the centuries with the capacity to govern and to determine the destiny of the State, and at the same time to execute judgment in righteousness in regard to a numerous people whose activity in political matters stood in the way of that destiny. He gave to North Carolina also the leadership which established popular education as the foremost interest of his Commonwealth and brought to every boy and girl in the State the privilege and opportunity of a great system of public schools.

This statue will long abide, but his fame will outlast the bronze, and the impression of his deeds will survive so long as civilization itself shall be the goal of human endeavor.

Mr. Chairman, with the pride of his Commonwealth and the gratitude of his country, I accept, in behalf of the United States, this statue of North Carolina's noble son, Charles Brantley Aycock.

EXTENSION OF REMARKS

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that all Members of the House may have five legislative days within which to extend their own remarks on the bill considered in the House to-day under a motion to discharge the Committee on Ways and Means.

Mr. DYER. Mr. Speaker, for to-day I shall object.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to extend my remarks made to-day in the Record.

Mr. DYER. Mr. Speaker, I regret it, but in order to keep the Record clear, there was only 10 minutes' debate and no one could have time generally. With all due courtesy to everyone I think we should keep the Record straight and that there should be no extensions of remarks to-day. I object, Mr. Speaker.

ORDER OF BUSINESS

The SPEAKER. May the Chair ask a question of the gentleman from Illinois [Mr. RAINEY]? The gentleman from New York [Mr. SNELL] inquired of the Chair what would probably be considered to-morrow in case consideration of the two election contests was concluded at a very early time, it being thought that each case would only require a few minutes. The Chair was unable to inform the gentleman but rather expressed the hope or, perhaps, the opinion that the Steagall guaranty of deposits bill would be taken up. The Chair was not sure about that and would like the gentleman from Illinois to inform the House, if he can, just what will be considered at that time.

Mr. RAINEY. Mr. Speaker, the gentleman from Alabama [Mr. STEAGALL] has advised me he would like to take his bill up Thursday next, and stated it would probably require two days and he did not want its consideration interrupted with any other business.

Mr. LAGUARDIA. Mr. Speaker, could we not have general debate on that bill to-morrow and then start reading the bill for amendment on Thursday? I think this would be ideal. It is the most important and most interesting piece of legislation we have had in this Congress.

The SPEAKER. The gentleman can determine that to-morrow.

Mr. BLACK. Mr. Speaker, may I ask the gentleman from Illinois when he expects to arrange for another meeting to consider bills on the Private Calendar?

Mr. RAINEY. Next Friday evening.

Mr. BLANTON. Mr. Speaker, I renew my point of no quorum.

The SPEAKER. Evidently, there is not a quorum present.

ADJOURNMENT

Mrs. NORTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 46 minutes p. m.) the House adjourned until to-morrow, Tuesday, May 24, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Tuesday, May 24, 1932, as reported to the floor leader by clerks of the several committees:

RULES

(10.30 a. m.)

Hearings—Post office bills on parcel post, etc.

RIVERS AND HARBORS

(10.30 a. m.)

Hearings—South Carolina and Texas projects.

FOREIGN AFFAIRS

(10.30 a. m.)

Hearings—World Court.

PUBLIC LANDS

(10.30 a. m.)

Hearings—Miscellaneous bills.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. PATMAN: Committee on the District of Columbia. H. R. 11364. A bill to provide for readjustment of street lines and the transfer of land for school, park, and highway purposes, in the northeast section of the District of Columbia, and for other purposes; with amendment (Rept. No. 1407). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. MONTET: Committee on Military Affairs. H. R. 948. A bill for the relief of Fred Andler, jr.; with amendment (Rept. No. 1401). Referred to the Committee of the Whole House.

Mr. SWANK: Committee on Claims. H. R. 6449. A bill for the relief of Lettie Leverett; with amendment (Rept. No. 1402). Referred to the Committee of the Whole House.

Mr. SWANK: Committee on Claims. H. R. 7409. A bill for the relief of Chambliss L. Tidwell; with amendment (Rept. No. 1403). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 8210. A bill for the relief of William H. Chambliss; with amendment (Rept. No. 1404). Referred to the Committee of the Whole House.

Mr. DICKSTEIN: Committee on Claims. H. R. 10800. A bill for the relief of Joe Setton; without amendment (Rept. No. 1405). Referred to the Committee of the Whole House.

Mr. EATON of Colorado: Committee on the Public Lands. H. R. 12038. A bill to authorize the conveyance by the United States to the city of Nome, Alaska, of certain land situated therein; without amendment (Rept. No. 1406). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, the Committee on Indian Affairs was discharged from the consideration of the bill (S. 660) for the relief of Hamilton Grounds, and the same was referred to the Committee on Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BACHMANN: A bill (H. R. 12243) to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Wellsburg, W. Va.; to the Committee on Interstate and Foreign Commerce.

By Mr. HAWLEY: A bill (H. R. 12244) conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands or tribes of Indians residing in the State of Oregon; to the Committee on Indian Affairs.

By Mr. HUDDLESTON: A bill (H. R. 12245) to provide a fund for Federal public works in times of business depression to stabilize business and to provide work for the unemployed; to the Committee on Ways and Means.

By Mr. MILLIGAN: A bill (H. R. 12246) to supplement the migratory bird conservation act by providing funds for the acquisition of areas for use as migratory-bird sanctuaries, refuges, and breeding grounds; for developing and administering such areas; for the protection of certain migratory birds; for the enforcement of the migratory bird treaty act and regulations thereunder; and for other purposes; to the Committee on Agriculture.

By Mr. WELCH of California: A bill (H. R. 12247) to grant to the State of California a retrocession of jurisdiction over certain rights of way granted to the State of California over certain roads about to be constructed in the Presidio of San Francisco Military Reservation and Fort Baker Military Reservation; to the Committee on Military Affairs.

By Mr. McLEOD: A bill (H. R. 12248) to make unlawful transportation in interstate or foreign commerce of a stolen airplane or other aircraft by amendment of the national motor vehicle theft act; to the Committee on the Judiciary.

By Mr. HILL of Alabama: A bill (H. R. 12249) to provide that advances under the Reconstruction Finance Corporation act may be made for crop planting or crop cultivation during the year 1932; to the Committee on Banking and Currency.

By Mr. TAYLOR of Tennessee: A bill (H. R. 12250) authorizing an appropriation of \$13,500 for purchase from the Tennessee Great Smoky Mountains Park Commission, Knoxville, Tenn., of a topographic map covering part of the Great Smoky Mountains National Park; to the Committee on the Public Lands.

By Mr. JAMES: A bill (H. R. 12251) to provide for the conveyance of the Portage Entry Lighthouse Reservation and buildings to the State of Michigan for public-park purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GIBSON: Joint resolution (H. J. Res. 402) proposing an amendment to the Constitution of the United States requiring submission of constitutional amendments to the direct vote of the people; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of the City Council of the City of Los Angeles, memorializing Congress to act with all possible speed to undertake a comprehensive program of public improvements through the issuance of a bond issue, not less than \$5,000,000,000; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRUNNER: A bill (H. R. 12252) for the relief of Elinora Fareira; to the Committee on Claims.

By Mr. CAMPBELL of Iowa: A bill (H. R. 12253) granting an increase of pension to Ellen E. Smith; to the Committee on Invalid Pensions.

By Mr. COLLINS: A bill (H. R. 12254) for the relief of Carl J. Thompson; to the Committee on Military Affairs.

Also, a bill (H. R. 12255) granting a pension to John Luther McIntosh; to the Committee on Pensions.

By Mr. CRAIL: A bill (H. R. 12256) granting a pension to Ella Burlington; to the Committee on Pensions.

Also, a bill (H. R. 12257) granting an increase of pension to Rebecca E. Williams; to the Committee on Invalid Pensions.

By Mr. FIESINGER: A bill (H. R. 12258) for the relief of Harry Nagel; to the Committee on Naval Affairs.

By Mr. HARE: A bill (H. R. 12259) for the relief of Clemont S. Bradshaw; to the Committee on Military Affairs.

By Mr. HAWLEY: A bill (H. R. 12260) granting a pension to Matilda E. A. Hornback; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Oklahoma: A bill (H. R. 12261) for the relief of the City National Bank, of Lawton, Okla.; to the Committee on Claims.

By Mr. MAGRADY: A bill (H. R. 12262) granting a pension to Seymour D. Eichholtz; to the Committee on Invalid Pensions.

By Mr. NELSON of Maine: A bill (H. R. 12263) granting a pension to Minnie L. Grant; to the Committee on Pensions.

Also, a bill (H. R. 12264) granting a pension to Bertha E. Prescott; to the Committee on Invalid Pensions.

By Mr. OLIVER of New York: A bill (H. R. 12265) for the relief of James M. D'Arcy; to the Committee on Claims.

By Mr. PURNELL: A bill (H. R. 12266) granting an increase of pension to Armilda Banta; to the Committee on Invalid Pensions.

By Mr. RAMSEYER: A bill (H. R. 12267) granting an increase of pension to Annett E. Graves; to the Committee on Invalid Pensions.

By Mr. RAMSPECK: A bill (H. R. 12268) for the relief of Lieut. Col. Harry W. Stephenson, United States Army, retired; to the Committee on War Claims.

By Mr. STALKER: A bill (H. R. 12269) granting an increase of pension to Adelia Van Wormer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12270) granting an increase of pension to Mary L. Mallory; to the Committee on Invalid Pensions.

By Mr. STOKES: A bill (H. R. 12271) granting a pension to Mary R. Dillon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12272) granting a pension to Harry Thompson; to the Committee on Pensions.

By Mr. SWING: A bill (H. R. 12273) granting a pension to Nancy E. Talbert; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 12274) for the relief of James R. Atkins; to the Committee on Military Affairs.

Also, a bill (H. R. 12275) granting an increase of pension to Thomas G. Pardue; to the Committee on Pensions.

Also, a bill (H. R. 12276) granting a pension to Susan Elizabeth Jeffers; to the Committee on Invalid Pensions.

By Mr. THOMASON: A bill (H. R. 12277) granting a pension to Susie Murray; to the Committee on Pensions.

By Mr. WOODRUFF: A bill (H. R. 12278) granting an increase of pension to Mary Parsell Wethy; to the Committee on Invalid Pensions.

By Mr. WYANT: A bill (H. R. 12279) granting an increase of pension to Susan L. Shew; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7877. By Mr. BOYLAN: Resolution adopted at the convention of the New York City Federation of Women's Clubs, New York City, opposing the principle of levying any such additional tax which would act as an obstacle to the functioning of a free and open market for securities, etc.; to the Committee on Ways and Means.

7878. Also, letter from the Fifth Avenue Association, New York City, N. Y., favoring a repeal of the eighteenth amendment; to the Committee on the Judiciary.

7879. Also, letter from the Veterans of Foreign Wars of the United States, favoring House bill 7726, providing for the immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

7880. Also, letter from the Labor's National Committee for Modification of the Volstead Act, favoring the O'Connor-Hull beer bill; to the Committee on the Judiciary.

7881. Also, resolution adopted by the Uniformed Firemen's Association of New York City, N. Y., petitioning the Congress of the United States to take action by voting a Federal bond issue of at least \$5,000,000,000 to finance construction of public works and other undertakings which will provide employment for many idle men and point toward the Nation's economic recovery; to the Committee on Ways and Means.

7882. By Mr. BRUNNER: Resolution of the volunteer committee for aid of the unemployed of Richmond Hill, N. Y., opposing any reduction in the salaries of Federal employees; also resolution urging repeal of the Volstead law and urging Congress to order a wholesale investigation of the bank accounts of all Members of House and Senate who are favoring prohibition, and so forth; to the Committee on Ways and Means.

7883. By Mr. CRAWL: Petition of W. H. Schock and many citizens of Los Angeles, Calif., urging Congress to end national prohibition, legalize liquor, and levy a tax on it; to the Committee on the Judiciary.

7884. Also, petition of board of directors of the Burbank Chamber of Commerce, Burbank, Calif., requesting Congress to enact legislation to regulate the hauling by trucks and busses of freight and passengers so as to protect the public; to the Committee on Interstate and Foreign Commerce.

7885. Also, petition of Corabelle Sill and other ladies of Los Angeles, Calif., urging Congress to do all in its power to get legislation that will make possible Federal relief of the unemployed, and a construction program by the Federal Government that will put people to work; to the Committee on Ways and Means.

7886. Also, petition of Central Labor Council of Los Angeles, Calif., urging favorable action on the proposed \$5,000,000 bond loan; to the Committee on Ways and Means.

7887. Also, petition of Women's Law Observance Association of Los Angeles, Calif., opposing a referendum on the eighteenth amendment and favoring adequate appropriations for law enforcement and education in law observance; to the Committee on the Judiciary.

7888. By Mr. CULLEN: Petition of the New York City Federation of Women's Clubs, opposing a tax which would act as an obstacle to the functioning of a free and open market for securities; to the Committee on Ways and Means.

7889. Also, petition of the Railway Electric Supply Manufacturers' Association, urging that regulation of the railroads be restricted and limited to the interests of public welfare only, and that all forms of competing transportation be regulated and taxed to the same degree; to the Committee on Interstate and Foreign Commerce.

7890. By Mr. GILCHRIST: Petition of J. A. Chambers, of Ralston, Iowa, and 22 citizens of that vicinity, urging maintenance of existing prohibition enforcement laws and activities and protesting any change; to the Committee on the Judiciary.

7891. By Mr. HADLEY: Resolution in the nature of a petition of the Board of County Commissioners of Snohomish County, Wash., urging an appropriation by Congress for the purchase of certain county warrants or bonds; to the Committee on Banking and Currency.

7892. By Mr. LINDSAY: Petition of the Railway Electric Supply Manufacturers' Association, Chicago, urging that regulation of the railroads be restricted and limited to the interests of the public welfare only and that all forms of competing transportation be regulated and taxed to the same degree; to the Committee on Interstate and Foreign Commerce.

7893. Also, petition of Labor's National Committee for Modification of the Volstead Act, Washington, D. C., urging passage of the O'Connor-Hull beer bill; to the Committee on the Judiciary.

7894. Also, petition of Veterans of Foreign Wars of the United States, urging the passage of House bill 7726, providing for immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

7895. Also, petition of New York City Federation of Women's Clubs (Inc.), opposing tax on American securities; to the Committee on Ways and Means.

7896. Also, petition of the National Retail Hardware Association, Indianapolis, urging the reduction of Federal expenditures; to the Committee on Ways and Means.

7897. Also, petition of the city of Chicago, by direction of the city council, requesting that provision be made for an increase in our money supply to restore in the United States the average wholesale commodity price level of the year 1926; to the Committee on Banking and Currency.

7898. Also, petition of the Uniformed Firemen's Association of Greater New York, favoring the voting of a Federal bond issue of at least \$5,000,000,000 to finance construction of public works and other undertakings which will provide work for the unemployed; to the Committee on Banking and Currency.

7899. By Mr. LONERGAN: Petition of a group of business men and citizens of the city of New Britain; to the Committee on Ways and Means.

7900. By Mr. MEAD: Petition of patternmakers of Pittsburg, regarding salary reductions; to the Committee on Ways and Means.

7901. Also petition of Plasterers Local Union, No. 31, regarding salary reductions; to the Committee on Ways and Means.

7902. Also, petition of New York City Federation of Women's Clubs (Inc.), opposing additional tax; to the Committee on Ways and Means.

7903. Also, petition of Painters Local Union, No. 458, regarding salary reductions; to the Committee on Ways and Means.

7904. By Mr. PARKER of Georgia: Petition of C. R. Waites and 92 other citizens of Savannah, Ga., urging the passage of railroad pension bill, H. R. 9891 and S. 4646; to the Committee on Interstate and Foreign Commerce.

7905. By Mr. RUDD: Petition of United States Building and Loan League, favoring the passage of the home loan bank bill; to the Committee on Banking and Currency.

7906. Also, petition of Labor's National Committee for Modification of the Volstead Act, favoring the discharge of the Committee on Ways and Means of the O'Connor-Hull beer bill; to the Committee on Ways and Means.

7907. Also, petition of the Fifth Avenue Association, New York City, favoring the modification of the Volstead Act first and then the repeal of the eighteenth amendment; to the Committee on the Judiciary.

7908. Also, petition of New York City Federation of Women's Clubs (Inc.), opposing additional tax on securities; to the Committee on Ways and Means.

7909. By Mr. SABATH: Petition adopted by Chicago City Council, favoring increase of the money supply for the purpose of restoring the prices of commodities to the level of the year 1926; to the Committee on Banking and Currency.

7910. By Mr. SCHUETZ: Petition of the Cook County Council, the American Legion, Department of Illinois, resolving that immediate steps should be taken by the American Legion during present session of Congress to endeavor to have the law amended so as to extend the conversion date of the 5-year convertible term policy five years or more, or until 1937; to the Committee on World War Veterans' Legislation.

7911. Also, petition of the Cook County Council, the American Legion, Department of Illinois, protesting against reduction of personnel of the Naval Reserve and the discontinuance of the naval cruises; to the Committee on Naval Affairs.

7912. Also, petition of the City Council of the City of Chicago, recommending a Federal bond issue for public improvements; to the Committee on Ways and Means.

7913. Also, petition of the Board of Commissioners of Cook County, Ill., favoring the \$5,000,000,000 prosperity loan; to the Committee on Ways and Means.

7914. Also, petition of the Cook County Council, the American Legion, reaffirming their stand that all positions in the United States veterans' hospitals should be filled by ex-service men, and urging the liberalization of the United States civil service laws to permit the employment of ex-service men in positions from which they are now barred by reason of disability, age, or any other reason beyond their control; to the Committee on the Civil Service.

7915. Also, petition of the Cook County Council, the American Legion, Department of Illinois, protesting against procedure of Senate Finance Committee, and requesting immediate creation of Senate veterans' affairs committee to consider all veterans' legislation, and to demand privilege of veteran representatives to present arguments before this

committee; to the Committee on World War Veterans' Legislation.

7916. By Mr. SHOTT: Resolution of the Bishop Safety Club, of Bishop, W. Va., representing a membership of 275, opposing the passage of the Davis-Kelly coal bill; to the Committee on Interstate and Foreign Commerce.

7917. Also, resolution of the Elkridge Safety Club, Elkridge, W. Va., opposing the passage of the Davis-Kelly coal bill as being detrimental to the bituminous-coal industry; to the Committee on Interstate and Foreign Commerce.

7918. Also, resolution adopted by the Scotia Coal & Coke Co. Safety Club, of Brooklyn, W. Va., opposing the passage of the Davis-Kelly coal control bill; to the Committee on Interstate and Foreign Commerce.

7919. Also, resolution adopted by the Laurel Creek Safety Club, Laurel Creek, W. Va., protesting the passage of the Davis-Kelly coal bill; to the Committee on Interstate and Foreign Commerce.

7920. Also, resolution of the employees of the American Coal Co., McComas and Widemouth, W. Va., opposing as harmful to the bituminous-coal industry the passage of the legislation known as the Davis-Kelly coal bill; to the Committee on Interstate and Foreign Commerce.

7921. Also, resolution signed by employees of the Mill Creek Coal & Coke Co., Coopers, W. Va., opposing the passage of the Davis-Kelly coal control bill; to the Committee on Interstate and Foreign Commerce.

7922. Also, letter signed by A. D. Knight, manager of the Monarch Oil Co., of Northfork, W. Va., opposing as highly injurious to the bituminous-coal industry and therefore endangering the economic status of many thousands of miners and their dependents, the passage of the Davis-Kelly coal control bill; to the Committee on Interstate and Foreign Commerce.

7923. Also, resolution of the Miners Safety Club, of Omar, W. Va., representing a membership of 340, opposing the passage of the Davis-Kelly coal bill; to the Committee on Interstate and Foreign Commerce.

7924. Also, resolution adopted by the Mead Smokeless Coal Co. Safety Club, Meade, W. Va., representing a membership of 225 miners and other employees, opposing the passage of the Davis-Kelly coal control bill; to the Committee on Interstate and Foreign Commerce.

7925. Also, resolution of the C. H. Mead Safety Club of East Gulf, W. Va., opposing the passage of the Davis-Kelly coal control bill; to the Committee on Interstate and Foreign Commerce.

7926. Also, resolution adopted by the McGregor Safety Club, Slagle, W. Va., opposing as detrimental to the bituminous coal industry the passage of the Davis-Kelly coal bill; to the Committee on Interstate and Foreign Commerce.

7927. Also, resolution of the Rossmore Safety Club, Rossmore, W. Va., opposing the passage of the Davis-Kelly coal control bill; to the Committee on Interstate and Foreign Commerce.

7928. By Mr. WYANT: Petition of Monessen Lodge, No. 168, Knights of Pythias, Monessen, Pa., protesting against reduction in salaries of Federal employees; to the Committee on Ways and Means.

7929. Also, petition of 50 citizens of Westmoreland County, Pa., protesting against the bill singling out automotive products for taxation, and urging instead some form of general tax to be used to raise the necessary revenue; to the Committee on Ways and Means.

SENATE

TUESDAY, MAY 24, 1932

(Legislative day of Monday, May 9, 1932)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

TARIFF ON COPPER

Mr. VANDENBERG. Mr. President, I submit my factual summary of the exhibits supporting the tariff on copper. This information should be available to the conferees. I ask

that it may be printed in the RECORD and referred to the Committee on Finance.

The VICE PRESIDENT. Is there objection?

There being no objection, the summary was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

Fact No. 1. In 1883 copper metal was protected by a rate of 4 cents per pound. Copper has been upon the free list since 1894. No protection was sought when the Hawley-Smoot bill was enacted because domestic copper at that time could still hold its own with foreign competition. But conditions have dominantly changed in the last three years. I do not refer to the general economic depression, from which, of course, copper has not been immune, but from which copper has been a major sufferer. I do not refer to transient economic infirmities due to fluctuating international exchange, although here again copper has been a major victim. I specifically refer to a permanent change in the world-wide copper situation which brings unlimited new foreign deposits of high-grade ore into production upon a scale which literally swamps the copper markets of the earth. This is the new menace which completely differentiates the present copper crisis from any jeopardy ever heretofore confronted. This is the new menace which differentiates the copper crisis from all other commodity hazards. It is a permanent menace. Recurrent prosperity can not overtake it. It can be met only by tariff differentials. Copper is on the free list. It therefore can not be served by the United States Tariff Commission through its flexible powers. It can only be served as the pending amendment proposes. It is this or nothing.

Fact No. 2. Other countries do not hesitate to protect their copper. Why should we? There are copper tariffs in 26 of the leading countries of the world. Some of our chief competitors for the copper trade of the world build up their copper industry behind a protective wall. From behind this wall they invade the United States. From behind this wall they go out to meet us in quest of neutral markets. There is no right of complaint anywhere on earth if we finally come to a kindred interest in the defense and sustenance of our own American copper and its primary right to first purchase in our own American market. For 38 years we have given the world the privilege of free competition in this market, when we often had no such reciprocal right elsewhere. Thirty-eight years is long enough. We are entitled, by every rule of right and of self-preservation, now to look after our own.

Fact No. 3. Once upon a time we were copper exporters. Now we are net importers. No agile homiletics can disguise this fact. We began to be net importers, in both copper and copper manufactures in 1929. Mark the date. It bears upon my previous statement that copper conditions in the world have totally changed since the Smoot-Hawley bill was enacted. Our exports, excluding manufactures, declined from a peak of 504,000 short tons in 1928 to 236,000 tons in 1931. Our exports, including manufactures, declined from a peak of 552,000 tons in 1928 to 272,000 tons in 1931. Each succeeding year showed a serial decrease in exports until 1931, and each succeeding year showed a serial increase in imports until 1931. But that is not all. These malignant progressions are now sweeping ahead at frightful speed. Based upon the three months from December, 1931, to February, 1932, the annual projected copper export, exclusive of manufactures, has fallen to 157,000 tons. Including manufactures, it has fallen to 193,000 tons. Meanwhile the imports have risen to 428,000 tons. I beg of the Senate to conjure this figure. Four hundred and twenty-eight thousand tons coming in. Much less than half going out. The former figure persistently increasing. The latter figure persistently decreasing. He who runs may read. Domestic copper is doomed unless this Congress gives it some lease on life.

Fact No. 4. Once upon a time a dozen American States dominated the copper production of the world. Now these domestic operators are at the utter mercy of a rising copper tide on at least three continents. Whether this copper actually invades the American market or not—and much of it does—all of it rolls into the international market place and grinds the American production out of successful competition. The foreign production of new copper has risen from 242,000 tons in 1900 and 411,000 tons in 1910 and 709,000 tons in 1925 to 1,039,000 tons in 1930—with the tremendous new African production yet to make a major contribution. The American production, which was 303,000 tons in 1900 and 540,000 tons in 1910 and 837,000 tons in 1925, was down to 697,000 tons in 1930—and much lower since. But note the monstrous sweep in these authenticated figures: Foreign production, from 44 per cent of the world's supply in 1900 to 60 per cent in 1930, and rapidly going up; American production, from 56 per cent in 1900 down to 40 per cent in 1930, and rapidly going lower. The foreign production capacity at the end of 1932 is set at 1,618,000 tons. Mark you: This is more than the whole world's copper consumption in 1930—very much more than the world's total consumption prospectively in 1932. Is it not obvious that American copper confronts new conditions without precedent? Is it not plain that these conditions involve permanent hazard which nothing but a tariff differential can offset?

Fact No. 5. For the 31-year period from 1900 to 1930 the average selling price of copper was approximately 15.9 cents per pound. Even excluding the war period, the average was 14.8 cents per pound. In 1931 the price averaged a trifle over 8 cents per pound. Copper now sells in the neighborhood of 6 cents. It can be sold at 6 cents in the United States from many of these foreign properties and actually net a profit. It can not thus be sold from the